



**U.S. Department
of Transportation**

Pipeline and
Hazardous
Materials Safety
Administration
(PHMSA)

Program Information

State Damage Prevention (SDP) Program Grants

Applicant must be registered at www.grants.gov to apply for the grant. It is highly recommended that applicants begin the registration process as soon as possible to avoid delays in submission. Additionally, applicants must maintain a valid Dun and Bradstreet Universal Numbering System (DUNS) number and an active registration in the System for Award Management (SAM) at www.SAM.gov

Furthermore, applicants must register with FedConnect at <https://www.fedconnect.net> for an account before submitting an application. Your organization's Marketing Partner ID number (MPIN), which can be retrieved from SAM, is required to create an account. For instructions on how to register in FedConnect and how to use the portal, view the *FedConnect: Ready, Set, Go! Tutorial* under the *Need Help?* section on the FedConnect home page.

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INTRODUCTION

This program information is intended to provide additional details about the State Damage Prevention Grant program for organizations that have received and are managing grants, or that may wish to apply for the grant. The information contained herein is meant to provide clarity on the program requirements, but all applicants and recipients should refer to the Notice of Funding Opportunity and the grant award documents as their primary source of information about the grants.

The U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), administers a State Damage Prevention grant program designed to support state excavation damage prevention efforts. The State Damage Prevention Grant program is established under 49 USC §60134, which states in part:

- (a) In General, the Secretary may make a grant to a State authority (including a municipality with respect to intrastate gas pipeline transportation) to assist in improving the overall quality and effectiveness of a damage prevention program of the State authority under subsection (e) if the State authority:
 - (1) has in effect an annual certification under section 60105 or an agreement under section 60106;
 - (2) (A) has in effect an effective damage prevention program that meets the requirements of subsection (b); or
(B) demonstrates that it has made substantial progress toward establishing such a program, and that such program will meet the requirements of subsection (b); and
 - (3) does not provide any exemptions to municipalities, State agencies, or their contractors from the one-call notification system requirements of the program.
- (b) Damage Prevention Program Elements. An effective damage prevention program includes the following elements:
 - (1) Participation by operators, excavators, and other stakeholders in the development and implementation of methods for establishing and maintaining effective communications between stakeholders from receipt of an excavation notification until successful completion of the excavation, as appropriate.
 - (2) A process for fostering and ensuring the support and partnership of stakeholders, including excavators, operators, locators, designers, and local government in all phases of the program.
 - (3) A process for reviewing the adequacy of a pipeline operator's internal performance measures regarding persons performing locating services and quality assurance programs.
 - (4) Participation by operators, excavators, and other stakeholders in the development and implementation of effective employee training programs to ensure that operators, the one-call center, the enforcing agency, and the excavators have partnered to design and implement training for the employees of operators, excavators, and locators.
 - (5) A process for fostering and ensuring active participation by all stakeholders in public education for damage prevention activities.
 - (6) A process for resolving disputes that defines the State authority's role as a partner and facilitator to resolve issues.

- (7) Enforcement of State damage prevention laws and regulations for all aspects of the damage prevention process, including public education, and the use of civil penalties for violations assessable by the appropriate State authority.
- (8) A process for fostering and promoting the use, by all appropriate stakeholders, of improving technologies that may enhance communications, underground pipeline locating capability, and gathering and analyzing information about the accuracy and effectiveness of locating programs.
- (9) A process for review and analysis of the effectiveness of each program element, including a means for implementing improvements identified by such program reviews.

In addition, under 49 §60134(d), the applicant must demonstrate that the Governor (or chief executive) of the State has designated it as the appropriate State authority to receive the grant. To implement this condition, PHMSA requires that the applicant submit a letter from the Governor (or chief executive) with the application that designates the organization as the eligible applicant for the grant for the year.

An amendment to Section 60134 by the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2006, *effective 01/03/2014*, also affects a State's eligibility to apply for a State Damage Prevention Grant. To qualify for funding under this program, a state may not provide any exemptions to municipalities, state agencies, or their contractors, from the One-Call notification system requirements of the program. See 49 U.S.C. § 60134(a)(3). Under this requirement, to be eligible for the State Damage Prevention grant, the state damage prevention law must require that the one-call notification system requirements are applicable to state or local government or their contractors.

Applicants are reminded that the State Damage Prevention Grants are contingent upon Congressional appropriations, and the amount or continuing availability of such grants in the future is not assured. The possibility that grant funding may not be available in future years should be considered before any continuing or long-term project is initiated.

Applicants are also reminded that, depending on the extent to which requests exceed available funds, it may be that the grant funds allocated to their state may be less than the amount requested. Projects that require a certain absolute level of funding to be accomplished may not receive a grant if that level of funding is not available.

BACKGROUND AND PERIOD OF PERFORMANCE

The program has proven very popular since its inception in 2008. Historical award information for all SDP grants can be found at <https://primis.phmsa.dot.gov/sdp/>.

State Damage Prevention Grant Program requests for funds may exceed the funds available. The maximum of funding for a single SDP applicant is \$100,000.00. Actual award is contingent on the current fiscal year appropriation and enacted budget.

States receiving funding under the State Damage Prevention grant are not precluded from seeking additional funding through the One Call) grant (49 USC 6106), or vice versa, for projects that are eligible under both programs. Separate accounting records must be kept showing the disposition of the funds from each grant. The grant review process will examine such projects to verify that activity costs would not be double-funded.

The period of performance for the State Damage Prevention grant will be twelve months from the date of the award, and this will be noted in the Notice of Award. PHMSA may consider requests for extension of the period of performance on a case-by-case basis, upon written request from the grantee that includes a detailed explanation for the reason for the request. Such requests should be submitted via email to Agreement Administrator and the Agreement Officer's Representative (Program Manager) as shown in the grant award documents and should be submitted as soon as possible after the grantee becomes aware that additional time is needed, but no less than 30 days from the end of the period of performance.

APPLICATION REQUIREMENTS

To apply for the State Damage Prevention grant, the applicant must be designated in writing as the State Authority eligible to receive the grant. The applicant is required to submit a letter from the Governor of the state indicating that the organization is the designated authority for the State to receive State Damage Prevention grant funding for that state. This is an annual requirement and must be submitted with the application. In extraordinary circumstances, PHMSA will consider accepting an application without a Governor's letter but will not issue an award until such letter is received by PHMSA. An example of a Governor's letter is found in Appendix B.

The applicant is required to answer a series of questions and provide sufficient detail(s) that clearly demonstrates compliance with program requirements. Failure to provide the requested information may void the application. Determination of a State's eligibility to apply for a State Damage Prevention Grant will be made by PHMSA separately from the application review and grant allocation process, which is conducted jointly with the NAPS Grant Allocation and Strategic Planning Committee and damage prevention stakeholder representatives.

The application must include a clear and concise description of the work to be performed under the proposed project or projects. For each of the Nine Elements of Effective Damage Prevention Programs, the applicant must answer the following questions. Note that this is true regardless of whether funding is requested for the Element. All questions must be answered.

- Does the proposed project address this element? (Required – Yes or No)
- Describe any existing state-wide initiatives that support this element: (Required)
- Describe how the proposed project will enhance or continue implementation of this element, if applicable.

PHMSA's application process guides the applicant through the required questions. Funding requests should be as detailed as possible on how the money will be spent on the project(s). Project descriptions should provide the following information:

- Narrative detail providing who will be performing work, expected cost to perform the project (with a detailed expense breakdown) and detailed narrative of project itself.
- If PHMSA funding was previously used for the project requested, detail should be provided on past use of grant funds. The statement “refer to past progress reports” (or similar) is not an acceptable alternative. The grant application will be approved on its own merit.

PROPOSED EXPENDITURES

The application must include a breakdown of proposed expenditures. The expense breakdown shall be shown in the format provided on the application form. The budget breakdown must include the information in the application form, and address the following categories:

- a. Personnel: List individually all personnel and include for each, the requested hours to be funded and the respective compensation rates (salary/wages).
- b. Fringe Benefits: Enter fringe benefits applicable to each employee.
- c. Travel: Proposed travel must be directly related to the performance of the grant project. Enter estimated travel costs applicable to award.
- d. Equipment/Supplies: Provide an itemized list of proposed equipment or supplies.
- e. Contractual: Provide an estimate of any contractual services proposed. (see Contracts and pass-through costs below)
- f. Other Direct Costs: Provide an itemized list with associated costs for any other item proposed as a direct cost that is not included in another category. State the basis for each proposed item.
- g. Indirect Charges:

Applications that contain a request for indirect costs should include a budget narrative detailing the proposal for indirect costs, where allowable. The budget narrative should include a signed copy of the applicant’s approved negotiated rate agreement that is valid as of the date of the application, if this is not already on file with PHMSA State Programs division. If the applicant does not have an approved indirect cost rate agreement, the applicant may be eligible for the 10-percent de minimis rate provided by 2 CFR § 200.414

Additional information about expenditures, including funding restrictions is found below.

PERFORMANCE REPORTING

The grant funds must be disbursed within the prescribed period of performance indicated on the Payment Agreement (Notice of Grant Award).

State Damage Prevention Grant performance reports must provide enough detail to ensure the grant funding awarded accomplished the intent of the award. A template for the Final report is shown in Appendix C. The following bullets outline details needed, as applicable:

- Projects (including continuing projects) should outline specific progress made on each project and provide data to show effectiveness of the use of grant funds received.

- Contracts, which should have pre-approval and meet state procurement requirements, should include paid invoices for services along with confirmation that the services provided were performed.
- All performance reports should be specific on who completed work on project and what objectives outlined in the grant application were met.
- When grant funding is used to provide training or education to individuals there should be a summary of training activities, detail of who attended meetings (including sign-in sheets) and a general summary of information disseminated to those individuals.
- Any other information needed to confirm accomplishments of the grant project.

The information provided should include measurable results and deliverables, and also should include any information about tasks that were not completed, or other challenges encountered during the grant period. A final performance report will be due within 90 days of the end of the period of performance, and this requirement will be included in the Executed Award documents. A template for the Final Report is shown in Appendix C. If all funds are not spent by the end of the period of performance, the remaining amount must be returned to PHMSA (currently via check made out to DOT/PHMSA). PHMSA may consider requests for extension of the period of performance to allow funds to be expended and/or projects to be completed. Email your request for extension with an explanation to Agreement Administrator and the Agreement Officer's Representative (Program Manager) as shown in the grant award documents.

FINANCIAL REPORTING

Grantees are also required to submit a final Federal Financial Report, using the Standard Form 425 (SF 425), shown in Appendix D, and also available at <https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>. In addition, grantees must provide a breakdown of the costs for each Object Class Category (Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, Other and Indirect Charges). The due date for these reports are included in the Notice of Award.

The disbursement of grant funds must be traceable and transparent. It is not required that grant funds be maintained in a separate account, although this is recommended. But there must be clear accounting records showing what disposition was made of the funds. It must also be clear from accounting records that there was no "double-dipping" or duplication of payments from the One Call, State Damage Prevention, Base, or any other federal grant for the same expense. The clarity of records in this area will be reviewed by the PHMSA Grant Review teams.

ADDITIONAL INFORMATION

Repeated Projects

If new funding is requested for projects/activities initiated in or repeated from prior years, a narrative on use of funds to date must be included in the grant application. These reports should provide specific information on what has been accomplished, and why the project/activity has been a success and deserves continued funding. Evidence that the project/activity has made a notable difference in a damage prevention category is particularly compelling.

Example:

Last year our enforcement program investigated 42 dig-ins and launched 27 enforcement proceedings, which resulted in 20 findings of violation and \$8200 in civil penalties. Since this program was initiated 3 years ago, the number of reported dig-ins with no locate request has dropped 32%.

Due to limited funds, preference in allocation may be shown to projects or activities with demonstrable results over applications that cannot or do not provide such information.

Educational Items

A detailed description of how educational items to be purchased, their purpose, and how they will be distributed must be provided or the project will not receive approval.

For example, items like clothing should be intended for wear in situations where the message it displays will be seen by an appropriate audience. Examples include t-shirts, safety gloves, coveralls, safety vests, hats and other safety related apparel likely to be worn by persons who engage in construction or excavation activities.

For this reason, it is required that applicants not only indicate the types of items that would be purchased, but also what the plans are for distributing them, what the target audience is, and why it is believed that distributing these items at those events and to this target audience will effectively provide education and enhanced awareness of damage prevention. Applications that do not provide a clear plan and rationale for distribution may not be funded. Items purchased for damage prevention awareness must expressly convey a message about preventing excavation damage.

Examples of non-allowable items: non-educational gifts, door prizes, souvenirs, memorabilia. Use of the term 'promotional items' will be cause for denial of the requested items and/or project.

Contracts and Pass-through Costs

Funds are intended for use by the grantee. If it is proposed that a contractor perform a function on the applicant's behalf, the terms and conditions of the contractual arrangement, and the qualifications of the contractor, are subject to review by and must be pre-approved by PHMSA. A clear scope, anticipated timeline, deliverables and estimated cost must be provided in the grant application. The recipient must follow general procurement standards outlined in 2 CFR 200.317 through 200.326. If not provided with the application, this information must be provided to PHMSA before the grant can be awarded - contract documents should be emailed to Rex.Evans@dot.gov. PHMSA will be in contact with the grantee pertaining to submitting the contract within thirty days after the announcement of the grant award. All contracts will need to be submitted to PHMSA prior to payment of the award. Payment may be denied if this information is not forthcoming, or if PHMSA finds the arrangements, or the contractor's qualifications, unacceptable. The contract must be made in accordance with the usual procurement procedures for obtaining outside services. Draft copies of proposed contracts can

be included with the application; however, a final executed copy will also need to be sent to PHMSA upon award.

Equipment

Funding for equipment is limited to \$5000.00 per piece of equipment. Any equipment (*Examples: Cameras, vehicles, IT equipment, gas detection equipment*), facility, records system or database purchased with grant funds must be for primary use in damage prevention applications. Without an explanation of the intended use and user, funding may not be authorized for equipment. Equipment must be identified by description and cost for each item requested.

Costs associated with computer or software upgrades must be used exclusively for damage prevention activities to be eligible. Computer upgrades for agency-wide activities unrelated to damage prevention activities are not eligible for funding.

Unallowable Costs

The following costs are unallowable under this grant program:

- Costs billed to state pipeline safety or other grants.
- Funds provided under grant awards may not be used for lobbying, advocacy or in direct support of litigation.
- Funds may not be used to cover costs associated with regulatory compliance programs for pipeline operators.
- Construction is not an allowable activity under this announcement.
- Funds provided under this grant may not be used to fund membership dues, professional activity costs, and sponsorship of conferences or events organized by another entity.
- Funding may not be used to cover costs associated with entertainment, such as shows or sporting events, or the purchase of alcoholic beverages.
- Funds should not be used to cover costs associated with the normal operations of the one-call center.
 - Note: Subsidizing usual and ordinary One Call center or pipeline operator functions or activities, or purchase of basic operating equipment, is not considered an appropriate use for these funds. Applications must demonstrate that proposed projects could not be accomplished without grant support, and that the project is a new initiative to improve damage prevention in a manner that aligns with one of the Nine Elements of Effective Damage Prevention.
- Funding for equipment, including vehicles, may not exceed \$5000.
- All PHMSA awards are subject to the terms and conditions in the grant agreement and cost principles in 2 CFR Part 200 Subpart E.

Refer to 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards for further guidance on allowable vs. non-allowable purchases.

Re-allocation of Funding

Permission to redistribute grant money among projects must be obtained from the Agreement Administrator and the Agreement Officer's Representative (Program Manager) as shown in the grant award. If funds are spent on a project that was not part of the grant application, or are redistributed without PHMSA approval, the funds are subject to return to DOT/PHMSA.

After the funding is allocated, applicants can submit questions, concerns or suggestions regarding their grant by submitting questions through FedConnect. Questions will be addressed by the Agreement Administrator and/or the Agreement Officer's Representative (Program Manager).

Grantees who receive funding for several projects but do not receive sufficient funds to perform them all may be allowed to redistribute the funds among some or all the projects; for example, some grantees may elect to pool the funds and pursue only two projects instead of three. Or, if circumstances do not allow the grantee to perform a project for which funding has been approved, the grantee may be able to redirect those funds to another approved project. .

APPENDIX A: SAMPLE GOVERNOR'S LETTER

Date _____

Agreement Administrator
Pipeline and Hazardous Materials Safety Administration (PHMSA)
U.S. Department of Transportation
1200 New Jersey Avenue, SE, E22-317
Washington, D.C. 20590

Dear :

As Governor of the State of _____ I am pleased to designate _____ as the state authority eligible to receive a State Damage Prevention Program Grant from the United States Department of Transportation, Pipeline and Hazardous Materials Safety Administration, under funding opportunity number _____ for fiscal year _____.

This grant will allow _____ to improve the overall quality and effectiveness of its program to prevent damage to underground pipeline facilities throughout Texas.

If you have any questions regarding this grant application or need additional information, please contact _____ at _____.

Sincerely,

Governor

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

APPENDIX B: PERFORMANCE REPORTS TEMPLATE

2022 State Damage Prevention Grant Final Report

CFDA Number: 20.720

Award Number: *[From box 1 of your agreement form]*

Project Title: *[From your application document]*

Date Submitted: *[Date of report submission]*

Submitted by: *[Who is submitting; can be more than one person]*

1. Project Details:

a. Specific Objective(s) of the Project

[If you have multiple projects under separate priorities list each one separately by copying item 1 a-d and pasting as many times as you need]

b. Accomplishments for the grant period

[How did you progress on each of the projects? How did your progress compare with your objectives?]

c. Quantifiable Metrics/Measures of Effectiveness

[If your grant is more data oriented, you likely had some sort of metrics in mind to improve upon. If so, what were those metrics and how does the data look now compared to when the program started? If you're doing something along the lines of enforcement that involves incident review, how many cases have you been able to review/close and/or fines collected compared to before the grant work? If you are working on something more along the lines of public awareness, how many stakeholders have you been able to reach? Even if you don't have the metrics fully defined, put whatever you can here.]

d. Issues, Problems or Challenges

[If the project has successfully concluded on schedule, simply state that there are no issues, problems or challenge to report. If there have been delays for any reason, explain what they are and how they have impacted the grant work.]

2. Financial Details

- i. Total amount of award: *[dollar amount of federal funding you received]*
- ii. Total of award expended: *[dollar amount of federal funding you expended]*
- iii. Repayment to PHMSA required *[YES or NO]*

a. Final Financial Narrative

[Please provide a summary of funds expenditures and by category below and include supporting documentation such as invoices, receipts, spreadsheets, etc. Also fill out and include the SF-425, sample provided on last page.]

b. Personnel and associated costs paid for by grant:

- i. Names of personnel and affiliation (ie Joe Smith, State PSC; Carla Jones, One Call Board; etc)
- ii. Personnel Costs:
- iii. Fringe Benefits Costs:

- iv. Travel Costs:
- v. Indirect Costs:

c. Listing of equipment and/or supply purchases and/or Contracts for Professional Services (*Invoices must be attached to your Progress Report)

- i. Equipment and/or Supplies*:
- ii. Contracts for Professional (outside) Services* (Any contract for outside services must be outlined and preapproved in advance):

d. Any other costs please describe here:

APPENDIX C: SF 425 (FINAL FINANCIAL REPORTS)

Federal Agency Form Instructions

Form Identifiers	Information
Agency Owner	Grants.gov
Form Name	Federal Financial Report (SF-425)
Form Version Number	2.0
OMB Number	4040-0014
OMB Expiration Date	02/28/2022

Form Field Instructions

Field Number	Field Name	Required or Optional	Information
1.	Federal Agency and Organizational Element to Which Report is Submitted	Required	Enter Federal Agency and Organizational Element for which the report is submitted. This field is required.
2.	Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	Required	Enter Federal Grant or Other Identifying Number Assigned by Federal Agency. (To report multiple grants, use FFR Attachment) This field is required.
3-1.	Recipient Organization Name	Required	Enter the legal name of the applicant that will undertake the assistance activity. This
3-2.	Street1	Required	Enter the first line of the Street Address. This field is required.
3-3.	Street2	Optional	Enter the second line of the Street Address.
3-4.	City	Required	Enter the City. This field is required.
3-5.	County	Optional	Enter the County.
3-6.	State	Required if USA selected for Country.	Select the state, US possession or military code from the provided list. This field is required if USA is selected for Country.
3-7.	Province	Optional	Enter the Province.

OMB Number: 4040-0014
OMB Expiration Date: 02/28/2022

1

[View Burden Statement](#)**Federal Financial Report**
(Follow form Instructions)OMB Number: 4040-0014
Expiration Date: 02/28/2022

1. Federal Agency and Organizational Element to Which Report is Submitted 		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 	
3. Recipient Organization (Name and complete address including Zip code) Recipient Organization Name: Street1: Street2: City: County: State: Province: Country: ZIP / Postal Code:			
4a. DUNS Number 		4b. EIN 	
5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) 			
6. Report Type ☐ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final		7. Basis of Accounting ☐ Cash ☐ Accrual	
8. Project/Grant Period From: To:		9. Reporting Period End Date 	
10. Transactions			Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>			
Federal Cash (To report multiple grants, also use FFR attachment):			
a. Cash Receipts			0.00
b. Cash Disbursements			0.00
c. Cash on Hand (line a minus b)			0.00
<i>(Use lines d-o for single grant reporting)</i>			
Federal Expenditures and Unobligated Balance:			
d. Total Federal funds authorized			0.00
e. Federal share of expenditures			0.00
f. Federal share of unliquidated obligations			0.00
g. Total Federal share (sum of lines e and f)			0.00
h. Unobligated balance of Federal Funds (line d minus g)			0.00
Recipient Share:			
i. Total recipient share required			0.00
j. Recipient share of expenditures			0.00
k. Remaining recipient share to be provided (line i minus j)			0.00
Program Income:			
l. Total Federal program income earned			0.00
m. Program income expended in accordance with the deduction alternative			0.00
n. Program income expended in accordance with the addition alternative			0.00
o. Unexpended program income (line l minus line m or line n)			0.00