



U.S. Department of Transportation

Pipeline and Hazardous Materials Safety Administration

Pipeline Safety
Natural Gas Distribution Infrastructure
Safety and Modernization
Grant Program

Evaluation Plan

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1. Introduction

This 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 Supervisor, Agreement Officer Representative Budget Certifier Grant Program Support Specialist Agreement Officer Agreement Specialist Program Office Representative (OPS) Office of Chief Counsel Director of Budget and Finance

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 in PRISM Grants 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** – As a second step in the administrative review process, the Program Office Representative 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 (SME), 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.

7. **Budget Review** – The Agreement Specialist reviews the budget and budget narrative according to the budget review checklist to determine if activities proposed are allocable, reasonable, and allowable.

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*
- Form 424 C, *Budget Information for Construction Programs*
- Form 424 D, *Assurance for Construction Programs*
- Budget Narrative Attachment Form
- Project Narrative Attachment Form – less than or equal to 25 pages in length
- Signed Title VI Assurance
- Certification Regarding Lobbying Form

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.

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 below:

1. Is the proposal directly related to repairing, rehabilitating, or replacing a natural gas distribution pipeline system or portions of it?
2. Is the proposal directly related to acquiring equipment to (1) reduce incidents and fatalities; and (2) avoid economic losses of natural gas distribution systems?
3. Does the applicant's project scope establish clear goals and objectives that include the (1) detailed project location; (2) materials being replaced, rehabilitated, or repaired; (3) project cost; (4) equipment being purchased; and (5) timeline?
4. Does the applicant provide the number of proposed project task and a description of each task proposed?
5. Does the applicant's project scope identify measurable results, deliverables, timelines, and estimated project costs that align with project goals and objectives?
6. Does the proposed project outline the risk profile of the distribution pipeline infrastructure that is prone to leakage? This includes review of the relevant project data, leak statistics, and risk analysis that should be part of the operator's Distribution Integrity Management Program.
7. If applicable, does the Procurement of Property and Services worksheet list the necessary equipment purchases and clearly define the use of such equipment?
8. Are the applicant's program activities allowable, allocable, necessary, and reasonable?

9. Did the applicant describe how the proposed project(s) will create good-paying jobs with the free and fair choice to join a union and incorporate high labor standards? Did the applicant list what efforts they will take to meet these goals??
10. What specific job titles will the project(s) fund?
11. Does the applicant's proposed project(s) provide substantial benefits to disadvantaged rural or urban communities?
12. Does the applicant's proposed project(s) provide substantial economic impact or growth?
13. Does the applicant outline a monitoring and evaluation strategy to help ensure that the project(s) will be successful?
14. Can the applicant successfully comply with required environmental assessment activities?

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.3 of the NOFO (and listed below), to rank applications and begin to compile the recommendations for award.

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 following questions:

1. Does the cover letter include the name/title of the NOFO, the organization's name and mission, a brief overview of the organization structure/programs/leadership/expertise, and a brief description of the organization's experience and capacity to manage Federal grant programs?
2. Is sufficient contact information provided including designated project directors, activity coordinator, financial reports contact?
3. Did the applicant clearly explain their eligibility? (*2nd Check for Eligibility*)
4. Does the project narrative determine that the applicant has identified the need to repair, replace or rehabilitate the natural gas distribution pipeline system or portions thereof?
5. Does the project narrative address project location (geospatial data, maps, aerial photographs), and is there an indication of service based on a nondiscriminatory basis?
6. Does the applicant provide a timeline that clearly communicates when project activities will take place?
7. Does the project narrative address the eligibility for this project? (See NOFO Section D.6, 3(c))
8. Is there a table of the funding for the project? *Note: A detailed budget review is performed separately so this should be a general review of the funding request.*
9. Is the project in a disadvantaged rural or urban area?

10. Is there a safety risk profile provided?
11. Does the applicant list clear outputs, goals, and objectives that indicate the grant will have a projected impact on reducing risk and enhancing pipeline safety and environmental protection?
12. Did the applicant address Title VI requirements? *Note: The OCR team will conduct a detailed Title VI program review.*
13. Did the applicant identify projected outputs and objectives that are quantifiable and measurable?
14. Did the applicant identify monitory efforts, internal controls, and quality assurance plans to ensure the project's success?
15. Did the applicant include a discussion on how the proposed project meets all the evaluation and selection criteria in Section E of the NOFO?

***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 and Section 504 requirements.

OCR will provide its assessment results to the Program Office Representative for rating.

Budget Review

PHMSA will review the funding request and details to evaluate applicant performance and program management. This review ensures grantees are using Federal funds in compliance with 2 CFR Part 200.403-Factors affecting allowability of costs. The series of questions and requirements noted below are to assist PHMSA in determining whether the projects proposed are allocable, reasonable, necessary, and allowable. PHMSA will consider the completeness and clarity of responses to the following questions:

1. Did the applicant provide a line-item budget that is consistent and properly completed?
2. Did the budget narrative provide an explanation or breakout of the personnel costs?
 - a. Are the costs included in the personnel line item allowable?
 - b. Are labor cost estimates fair and accurate according to the prevailing wage rates for the state and the county within the project(s) area?
3. Did the budget narrative provide an explanation or breakout of the staff fringe benefits?
 - a. Are the costs included in the fringe benefit line item allowable?
4. If there are funds entered under the travel line item, does the budget narrative provide a clear and reasonable explanation that relates to these costs?
 - a. Are the costs included in the travel line item allowable?
5. Did the budget narrative clearly identify equipment purchases and separate them from supply purchases (i.e., <\$5,000/unit)?
 - a. Are these costs adequately explained?
 - b. Are the equipment line-item costs allowable?

6. If these are funds under the contractual line item, does the budget narrative clearly describe how contractual costs were derived for each contract and/or sub-contract?
 - a. Are the costs included in the contractual line item allowable?
7. If there are funds under “other,” have the costs been reasonably explained?
 - a. Are the costs included in the “other” line item allowable?
8. Have the costs been reasonably explained for any funds under “other?”
 - a. Is the amount included in the budget properly calculated as provided in the ICR?
9. Is the applicant requesting pre-award costs?
10. Review the Federal Awardee Performance and Integrity Information System (FAPIS)
11. Any Federal tax delinquency or felony conviction?
12. Is the applicant on the Terrorist Watchlist?
13. Check Single Audit Clearinghouse for a current audit and review any findings or financial concerns.

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 20, U.S. Department of Transportation “New Restrictions on Lobbying.” 49 CFR 20 is incorporated by reference into this award.

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 and Budget Reviews, the Program Office Representative will use the overall ratings, as set forth in Section E.3 of the NOFO (and listed below), 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.

4. Applicant Selection

PHMSA's Associate Administrator for the Office of Pipeline Safety will make award recommendations to the PHMSA 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. The PHMSA Administrator, or designee, will make the award selection decisions.