Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program

FY 2024 Grantee Orientation

December 11, 2024

U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration

PHMSA: Your Safety is Our Mission

Congratulations and Welcome!

Meet the Team

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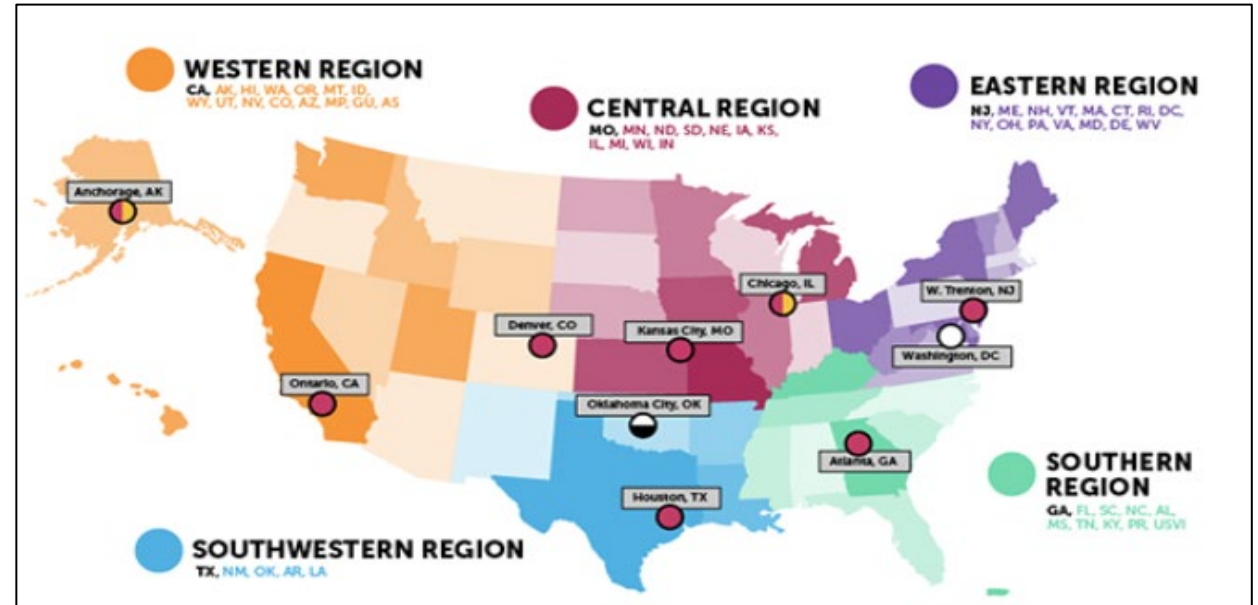
Next Steps...

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Points of Contact

- It is important that PHMSA has the correct points of contact.

- The entity receiving federal funds has the legal responsibility to manage the federal award.

- Entities may utilize consultants for this program; however, all correspondence with PHMSA MUST include at least one contact from the actual entity.

- A minimum of two entity contacts is required before receiving an executed grant agreement.
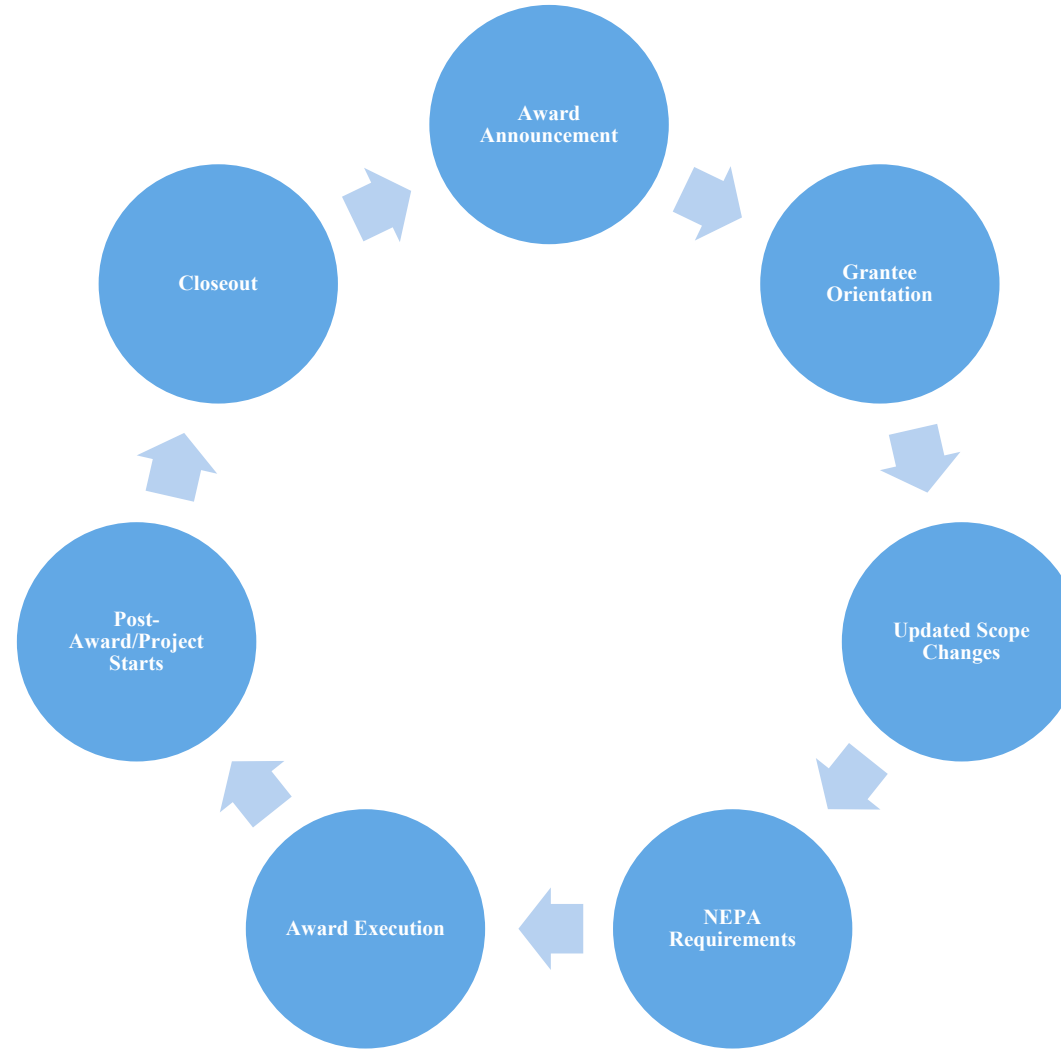

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Updating Scope of Work

- If your entity did not receive full funding for your project(s), you will need to update your:

  ✓ Budget and project narratives to reflect the FY 2024 award amount and reduced scope of work.

  ✓ An updated SF-424C (budget construction) or SF-424A (equipment only) is also required.

Grant Lifecycle

Award Announcement → Grantee Orientation → Updated Scope Changes → NEPA Requirements → Award Execution → Post-Award/Project Starts → Closeout → Award Announcement

NEPA Requirements

- NEPA (National Environmental Policy Act) requires federal agencies to assess the environmental impact of projects.

- When a project involves federal money, the agency must evaluate potential environmental effects before moving forward. This ensures that projects consider how they might affect the environment, such as air quality, water, or wildlife, and take steps to minimize harm.

- Following the NEPA webinar, the NEPA process for the NGDISM grant program typically takes 4-6 months for construction projects and one to two months for equipment only projects.

- Recipients are allowed to obtain consultant support to assist with the NEPA process.

- They FY 2024 NEPA webinar will be held in January 2025.

Pre-Award Costs

- Pre-award costs are those incurred before the start date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work.

- Written authorization from PHMSA **must** be obtained before incurring any costs.

- Reimbursement occurs after the grant agreement has been executed.

Examples:
- NEPA consultants to assist with submitting key documents
- Administrative costs such as a program manager working to procure consultants

Unallowable pre-award costs
- Construction costs
- Easements/permitting
- Materials (unless authorized AND Buy America compliant

Buy America

- The Buy America Act requires projects funded by the U.S. government to use American-made materials and products. Materials must generally be sourced from the U.S.

- If a project cannot find American-made products that are cost-effective or suitable, a grant recipient can apply for a waiver. If approved, the waiver allows the use of foreign-made materials.

- Recipients must demonstrate that it's necessary due to cost, non-availability, or other specific reasons.

- Currently PHMSA is seeking a programmatic waiver for gas service risers, regulators and gas service meters.

General Program Contacts

- The NGDISM shared account is PHMSAPipelineBILGrant@dot.gov. All team members have access to this account and all correspondence should copy this account.

- Each entity will be assigned a Grants Management Specialist (GMS). Your GMS will assist you with the day-to-day management of your grant award.

Resources

NGDISM Website:

https://www.phmsa.dot.gov/about-phmsa/working-phmsa/grants/pipeline/natural-gas-distribution-infrastructure-safety-and-modernization-grants

Managing Your NGDISM Grant (Resources and Forms):

https://www.phmsa.dot.gov/about-phmsa/working-phmsa/grants/pipeline/manage-your-ngdism-grant-award

Procurement and BABA Guidance:

De Minimis and Small Grants FAQs (March 7, 2024)

Buy America Webinar Slides for FY 2022 Grant Recipients (December 15, 2023)

Procurement Best Practices for Recipients (November 9, 2023)

Procurement Office Hours for FY 2022 Recipients (August 30, 2023)

Procurement Office Hours for FY 2022 Recipients (August 29, 2023)

Questions and Answers

Under the Buy America requirement, if a valve has parts that are manufactured overseas, but assembled in the US, how is that seen?
The 55% components rule may come into effect: 55% of components costs must go to American products and 45% can go to overseas parts.

Between submitting the grant application and being notified of a provisional award, the *de minimis* rate increased from 10% to 15%. Is it OK to update the grant application from the 10% to the 15% de minimis rate?
Yes.

Do pre-award costs include engineering costs?
Yes.

If an application has 6 projects, but fewer than 6 projects were selected for award, what should I do for the budget narrative, project narrative, and SF-424A/C?
It depends. There are different ways to notate the change. It's best to discuss with your GMS.

For returning grantees, will the information requested in the Tier 2 be the same?
Yes.

Questions and Answers

If the contractor estimates come in higher than your grant amount how does that work? can you revise your scope then?
Yes. The grant funding amount cannot be increased, but you are able to revise the scope due to increased costs.

When is the updated scope of work due?
Work with your GMS. The due date has not been announced yet.

Will provisional awardees have to sign off on a letter of acceptance?
No.

Our approved submittal is a medium sized construction project replacing old mains and service lines. Since we were only partially funded, what is your suggestion to change the scope? Or can we do the whole thing and only submit the amount that we were awarded?
Yes, you may move forward with the project if you have the funds within your entity. Another option is reducing the scope.

Can scope be revised more than once depending on what we encounter?
Yes. There needs to be a paper trail for audit purposes. It must be clear what is changing in each scope change.

Questions and Answers

As part of our award we asked for a funded position. Since we were partially awarded it doesn't make sense for us to hire a person for one year and fire them. Can we change the scope of that aspect to an employee reimbursement not to exceed the amount asked for by the position.
Yes, or you can hire a contractor instead to fulfill that role.

We would like to assign some of our current employees to the project but seek reimbursement for their wages (not to exceed the amount asked)
That's fine.

perfect, and I would assume that would need to be made clear in the change of scope aspect
Yes, those costs will go under the Administrative line item. You will also need to provide their current salary so when you expense the program for their time we can verify the amount is appropriate.