



U.S. Department of Transportation

Notice of Funding Opportunity Number DTFH6116RA00013

*“Surface Transportation System Funding Alternatives”*

Issue Date: 3/22/2016

Application Due Date: 5/20/2016

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The FHWA is using [www.grants.gov](http://www.grants.gov) for issuance of this Notice of Funding Opportunity (NOFO). Applicants must register at grants.gov under NOFO Number DTFH6116RA00013 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**

<b>Funding Opportunity Summary:</b>	<b>\$15 Million in 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.</b>
<b>Federal Agency Name:</b>	U.S. Department of Transportation (USDOT) Federal Highway Administration (FHWA) Office of Operations 1200 New Jersey Avenue, SE Mail Drop: E86-205 Washington DC 20590 Attn: Angela Jacobs, HOTM-1
<b>Funding Opportunity Title:</b>	Surface Transportation System Funding Alternative Grants
<b>Announcement Type:</b>	This is the initial announcement of this funding opportunity. This is not a follow-on notice.
<b>Funding Opportunity Number:</b>	DTFH61xxxxxxxx
<b>Type of Award:</b>	Allocations to State Department of Transportation (DOT)
<b>Catalog of Federal Domestic Assistance (CFDA) Number:</b>	20.200 Highway Research & Development
<b>Application Due Date:</b>	<b>Applications Due</b> by <u>5/20/2016</u> at <b>5:00 pm Eastern Time</b> by Email to <a href="mailto:STSFA@dot.gov">STSFA@dot.gov</a>
<b>Questions:</b>	Submit Questions to: <a href="mailto:STSFA@dot.gov">STSFA@dot.gov</a>

### **Funding Opportunity Informational Webinar**

The United States Department of Transportation (USDOT) 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 solicitation. 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: Background and Application Information for the Surface Transportation System Funding Alternatives Program

**DATE:** 4/1/2016

**TIME:** 1:00 pm Eastern Time

**LIVE STREAM:**

<https://connectdot.connectsolutions.com/e90qgs1jzcc/event/registration.html>

**Note:** The USDOT will also consider conducting additional virtual and/or in person workshops regarding the Surface Transportation System Funding Alternatives Program Funding Opportunity.

## SECTION A – PROGRAM DESCRIPTION

Fixing America's Surface Transportation (FAST) Act of 2015, Pub. L. No. 114-94, H.R. 22, § 6020, H.R. 22, 114<sup>th</sup> Cong. (2015) authorizes 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 FY 2016 and \$20 million annually from FY 2017 through FY 2020 will be made available for grants for demonstration projects. 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 supported 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.<sup>1</sup> Section 6020 of the FAST Act authorizes the USDOT to enter into agreements with State authorities to demonstrate user based alternative revenue mechanisms. However, this solicitation 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:

- To test the design, acceptance, and implementation of 2 or more future user-

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<sup>1</sup> 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.

based alternative revenue mechanisms.

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

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

## **2. LEGISLATIVE AUTHORITY**

Specific statutory authority for conducting this effort is found in the Fixing America's Surface Transportation (FAST) Act of 2015, Pub. L. No. 114-94, H.R. 22, § 6020, H.R. 22, 114<sup>th</sup> Cong. (2015) 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**

Section 6020 provides \$15 million for FY 2016 and \$20 million for FY 2017-2020 out of funds set aside in § 6002(a)(1), which authorizes funds for the Highway Research and Development Program in 23 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: the 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 USDOT 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 under the program.

USDOT 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**

USDOT's approach in FY 2016 is to seek applications for full new demonstration projects, for extensions or enhancements of existing demonstration projects, or for required pre-demonstration activity leading directly to a planned future demonstration project in the near term (less than 18 months from award). The type of alternative revenue mechanism proposed is flexible so long as it is user-based.

It is anticipated that up to \$15 million will be awarded during FY 2016 for these three types of proposals, with larger awards for new demonstration projects and extensions or enhancements of existing demonstration projects, and smaller awards for pre-demonstration activities. USDOT anticipates issuing a second solicitation and making a second round of awards in FY 2017 that will commit the remaining anticipated funds for FY 2017-2020 (up to \$80 million subject to availability), focused only on demonstration projects. Projects receiving awards for pre-demonstration activities in FY 2016 are not guaranteed to receive future funding for demonstration activities.

For applications that seek funding for new demonstration projects or extensions or enhancements of existing demonstration projects, applicants are encouraged to identify STSFA program funding ultimately needed to fully carry out the proposed demonstration beyond FY 2016. However, all entities desiring funding from the FY 2017 solicitation will need to apply or reapply at that time.

The USDOT recognizes that each application will have unique attributes, and that each location's proposed deployment will be tailored to their 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.

This section provides a framework for applicants to consider in the development of a proposed deployment by providing additional definition to the statutory areas to be addressed.

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. While to date some demonstrations of the effectiveness of alternative funding mechanisms have focused on light vehicles, the consideration of the impacts on heavy vehicles is also of interest.
- **Privacy protection** – The current system provides almost total privacy protection. 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.
- **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 alleviate privacy concerns generated by government administration of the user fee collection process. However, other concerns could be raised, 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 impact 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. This could include a methodology to determine vehicle use: the provision of various mechanisms and technologies for data collection; and method / timing of payment.
- **Cost of administering the system** – The cost of the current approach of collecting the Federal user fee at the bulk storage facility through other existing tax collection processes is minimal in comparison to the amount of revenue that is raised. As a result, most likely alternatives to the current collection system would be expected to increase these costs. 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. There is interest in 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 majority of users are complying. The mechanism should by design contain the ability to audit and disclose results, assure a high level of compliance, and provide effective and reasonable enforcement approaches.

If a State has previously proved 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 in numbers of vehicles involved or jurisdictions (e.g., other states); and/or
- Enhancing public acceptance.

For this Notice of Funding Opportunity, States applying for the program which have not initiated a demonstration project or are not prepared to advance a working alternative revenue mechanism at this time may submit an application for pre-deployment activities such as:

- Defining in detail the mechanism to be demonstrated;
- Pursuing necessary state enabling legislation;
- Defining in detail the issues to be addressed;
- Planning the deployment timeline and milestones;
- Budgeting for deployment and identifying non-federal funding sources; and/or
- Organizing partnerships internally within the State, externally with other States, and with other external partners such as private third party vendors.

## 5. 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>.

## **SECTION B – FEDERAL AWARD INFORMATION**

### **1. FUNDING AND NUMBER OF AWARDS**

The USDOT estimates making no fewer than two awards for STSFA for a total Federal contribution of up to \$15,000,000 in FY 2016 as a result of this Notice of Funding Opportunity.

### **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 USDOT anticipates substantial Federal involvement with the STSFA recipients during the course of these 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 a proposal 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 50 percent share of 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 supported 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.

USDOT 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 can use matching strategies available to them under the Federal-aid Highway program such as “tapering match.”

But USDOT 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](http://grants.gov) under the Notice of Funding Opportunity Number cited herein.

The Applicant must complete and submit all forms included in the application package for this notice as contained at [www.grants.gov](http://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 <http://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: <ul style="list-style-type: none"> <li>• Transportation Improvement Program (TIP)</li> <li>• Statewide Transportation Improvement Program (STIP)</li> <li>• MPO Long Range Transportation Plan</li> <li>• State Long Range Transportation Plan</li> </ul>	Yes/No – <i>please specify in which plans the project is currently programmed</i>

## ii) Project Narrative

The application must include information required for USDOT 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. USDOT may ask any applicant to supplement data in its application, but expects applications to be complete upon submission.

USDOT 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. USDOT 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.

Project Description that includes the following:

1. Vision, goals, and objectives of the applicant(s) for the demonstration; the vision of the goals, objectives, and 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 multi-agency 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 (MOU), 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 (passengers, buses or trucks, commercials, public, private) and the length of time for the participants in the pre-pilot (if applicable) and pilot activities.

### 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.<sup>2</sup>
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 performance, and your position on its data rights during and after the award period of performance.

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<sup>2</sup> 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.

- 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.
- 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 USDOT, 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](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).

#### **4. 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.

#### **5. SUBMISSION DATES AND TIMES**

The application must be received by Email by the application due date/time listed on page 3 of this Notice of Funding Opportunity.

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.

#### **6. INTERGOVERNMENTAL REVIEW**

An application under this Notice of Funding Opportunity is not subject to the State review under E.O. 12372.

#### **7. FUNDING RESTRICTIONS**

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

**8. 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 future similar opportunities.”

## **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
- Reasonableness 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 and other obstacles to 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 proposal

The FAST Act also requires USDOT to consider geographic diversity in making awards. Additionally, USDOT is most interested in funding larger scale pilots, rather than smaller scale proof of concept projects, and in awarding funds to both single State and multi-State pilots.

### **2. REVIEW AND SELECTION PROCESS**

The USDOT 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 USDOT 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 following risk assessment 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 USDOT, 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.

(7) Applicant's eligibility to receive Federal funding. Per the guidelines on government-wide suspension and debarment in 2 CFR Part 180, the Government will confirmation 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 government-wide 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.

### **3. ANTICIPATED FEDERAL AWARD DATES**

The USDOT anticipates making grants for surface transportation system funding alternatives grants in September 2016.

## **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 the USDOT.

Only the Agreement Officer (AO) can commit the USDOT. 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, the USDOT will enter into negotiations if necessary. If the negotiations do not result in an acceptable submittal, the USDOT 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 C.F.R Part 200, as adopted by USDOT at 2 C.F.R Part 1201.**

### **ADDITIONAL REPORTING REQUIREMENTS**

Not later than 1 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 Jacobs at the following email address:

Angela.jacobs@dot.gov

**SECTION G – FEDERAL AWARDING AGENCY CONTACTS**

Address any questions to:

[STSFA@dot.gov](mailto:STSFA@dot.gov)