

## **Defense Community Infrastructure Program Notice of Funding Opportunity**

### **Fiscal Year 2024 Frequently Asked Questions**

These questions are commonly asked of the Defense Community Infrastructure Program. They are intended to provide clarification and further understanding of the Notice of Funding Opportunity.

#### **A. Program Overview and Eligibility**

1. What is the Defense Community Infrastructure Program?

Answer: It is a competitive grant program administered by the Office of Local Defense Community Cooperation on behalf of the Department of Defense to enable state and local projects to address deficiencies in community infrastructure supportive of a local military installation. These projects may enhance military value, the training of cadets at a covered educational institution, installation resilience, and/or family quality of life at a military installation.

2. What type of agreement must be in place for an ineligible entity to “partner” with a state or local government?

Answer: It depends on the nature of the partnership. If a partner is to be a sub-recipient, an executed binding sub-award agreement will be required prior to the disbursement of any federal funding within 12 months of a grant being awarded. The proposal should explicitly state what the partner is responsible for and identify the type of arrangement being sought with the Proposer. Projects awarded funding under the program must be owned by a state or local government, or a not-for-profit member-owned utility service.

3. Are communities supporting military installations outside the United States eligible to apply for Defense Community Infrastructure Program grants?

Answer: Proposed projects must be located within any of the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or Guam.

4. My project is located on or partially on a military installation owned by the Federal government. Is this project eligible for a Defense Community Infrastructure Program grant?

Answer: Yes. A project may be located on property under the jurisdiction of a Secretary of a military department that is subject to a real estate agreement (including a lease or easement).

5. Can an applicant submit multiple Defense Community Infrastructure Program grant proposals for different Defense Community Infrastructure Program projects, or is there a limit on the number of proposals an eligible entity can submit (assuming they have the installation support)?

Answer: Yes, there is no limit. However, installation commanders must state their priorities in the required installation commander letter of support that must accompany each submitted proposal.

6. Can we combine projects into one proposal?

Answer: Only if they are intrinsically interdependent with each other. Otherwise, no.

7. Is a project eligible if site clearing or construction work has begun? What if we could demonstrate that it has undergone appropriate environmental and cultural resource review?

Answer: No. Even if the Proposer believes the appropriate environmental and cultural resource reviews have been completed, a project is not eligible if it is where ground-disturbing work has commenced.

8. Is cybersecurity considered infrastructure and an eligible project?

Answer: Yes. Infrastructure supporting a cybersecurity function could be considered an eligible project if the project entails construction and results in a complete and usable facility.

9. Are community infrastructure projects that support National Guard and Reserve component installations eligible for Defense Community Infrastructure Program grants?

Answer: Yes.

10. If an entity has a current Defense Community Infrastructure Program grant, does this prohibit an entity from applying for another grant for a different project?

Answer: No. Regardless of where an entity may be in a previously awarded Defense Community Infrastructure Program project, they may submit a proposal for consideration for Fiscal Year 2024.

11. Is a project eligible if it has been bid out but ground disturbing work has not commenced?

Answer: Yes.

## **B. Cost Contribution / Match Requirements**

12. How do I determine if the rural match exemption applies to my project?

Answer: The location (county, city, town, or unincorporated area) of the proposed project must have a population of not more than 100,000 to be considered rural, meaning no match is required. Proposals must: 1) state explicitly that the proposed project is located entirely in a rural area; 2) identify the city, town or unincorporated area by zip code in which the project is located as well as its population; and 3) state the proposer is not required to provide a non-Federal project cost contribution.

13. Will proposals that include a higher cost contribution from the state or local government be scored higher than proposals that include the minimum match (or no match, in cases where a match is not required)?

Answer: No. The amount of proposed matching funds will not factor in the selection process.

14. Regarding what counts towards the 30% match: can the waiving of rent money for the built-out space count as a portion of the 30% matching requirement? This would be for the entire 5-year time period for the space.

Answer: No. Match must be sourced and available for the explicit use in the construction of the proposed project. Soft costs (e.g., planning and design costs, the cost to prepare NEPA documentation, environmental permit applications and similar pre-construction engineering costs) incurred prior to grant award may count towards the match requirement.

15. Must local match be appropriated by September 2024 after notification of being invited to apply for a Defense Community Infrastructure Program grant? This can be challenging based on public process timelines.

Answer: Evidence provided in proposals affirming the immediate and unconditional availability of the non-federal local cost share (match) funding is a scoring consideration under criterion b). In addition to all other terms and conditions of the grant at award, grantees are required to evidence the availability or liquidity of the non-federal local cost share prior to disbursements following a grant award, but not at the time of award. Any proposal relying on contributions sourced from other federal funds must present a counter-signed financial award at the time of proposal submission to be considered. Any proposal relying on donations must backstop those through a line of credit or other financial instrument.

16. If local cost share contribution (match) will rely on debt financing, by when must that debt financing be available for the project—and are there specific conditions that will apply to the grant that may impact debt financing (loan term) agreements?

Answer: All sources of funds for the construction of the enhancement must be firmly committed and liquid to a Grantor within 12 months of the grant award for grant disbursement to occur. Proposals relying on debt financing for any portion of their project must demonstrate how any Federal Interest that is created through the proposed project will be preserved through any subsequent refinancing, foreclosure, or other actions that may change the purpose, life, and/or benefactors of the enhancement that was the basis for the Federal Interest.

17. If a project qualifies as rural for 100% grant funds and no matching funds are needed, are soft costs paid for by the grant funds?

Answer: No. Soft costs (e.g., planning and design costs, the cost to prepare NEPA documentation, environmental permit applications and similar pre-construction engineering costs) are not eligible and should not be included in the proposal.

18. Are the 2004 - 2005 Base Realignment and Closure (BRAC) table data being used to assign scores for military value for Defense Community Infrastructure Program projects this year?

Answer: No. While the scoring approach for military value continues to tie back to the military value criteria published in 2004 for the 2005 BRAC round, since the 2021 Defense Community Infrastructure Program competition, the BRAC 2005 military value tables are no longer used to assess military value.

19. Would a project which hasn't entered design phase by the proposal deadline be considered construction-ready?

Answer: Potentially. A proposal must include a third-party cost validation based on the level of design completed to date, so less progress on design potentially weakens the accuracy of a third-party cost estimate. The proposal will be evaluated based on its evidence to commence construction within twelve (12) months of funding, and a proposal for a project that has not yet entered the design phase will likely receive a lower construction readiness score.

20. How far along in the planning process must an applicant be before submitting a proposal? Would construction/building schematics/site plans and environmental analysis/review be required as part of the submission process? Can projects be design-build projects, or do they need to be designed and construction ready projects?

Answer: They must be far enough along so an independent third-party cost validation can be provided and so that an accurate determination can be made on the level of what level of environmental planning is required to satisfy requirements under the National Environmental Policy Act (NEPA).

21. If an existing structure is on the building site and is slated to be demolished within the 12-month shovel ready time frame, does that demolition count as the project being shovel ready?

Answer: Yes. The demolition must be part of the originally ranked proposal.

22. Is there any flexibility on the 12-month timeline or the definition of under construction? We have seen some delays in construction execution due to supply chain issues.

Answer: No. A project must be able to commence ground disturbing activity within the 12-month timeframe to be "construction ready."

23. Does the 30% match have to be funding or could it be covered by salaries of staff?

Answer: The 30% match may include staff salaries as long as the staff time is towards project related activities such as permitting or construction management. The budget must detail the percentage of time staff will spend on the project.

**C. Proposal Content** (See Section D. of the Notice of Funding Opportunity)

24. In our experience, military command is reluctant to "support" outside-the-wire projects even when they acknowledge the benefits. Program guidelines specify that proposals must include a letter of support. Is this a potential roadblock for applicants?

Answer: The local installation command letter for the Fiscal Year 2024 competition is a "support" letter and not an "endorsement" letter. A proposal will not be considered without a letter of support from the Commander of the local installation, to include the elements described in Section D. paragraph C. of the Notice of Funding Opportunity. An installation commander's signature on a letter of support is not prohibited under the Joint Ethics Regulations or Federal ethics regulations provided that the letter complies with and contains only the information

requested in the Fiscal Year 2024 Defense Community Infrastructure Program Notice of Funding Opportunity.

25. To whom should the installation letter of support be addressed?

Answer: The installation letter of support should be provided to the state or local government entity proposing the project. Please address the letter to: Director, Office of Local Defense Community Cooperation, 2231 Crystal Drive, Suite 520, Arlington, VA 22202. Note that the letter must be included in the proposal package submitted in Grants.gov. Direct submissions to the Office of Local Defense Community Cooperation that do not appear as part of the proposal submission in Grants.gov will cause that proposal submission to be incomplete and not reviewed.

26. What is acceptable proof/demonstration of Section D. paragraph E. "Project Engineering Information: A demonstration of the technical feasibility of the construction project"?

Answer: A proper demonstration of technical feasibility includes a narrative or other supporting information to allow the Defense Community Infrastructure Program Review Panel to conclude the project is technically constructible, sufficiently scoped, and can be accomplished in accordance with the cost and schedule presented.

27. Regarding Section D., Paragraph H., "Project Budget", it says soft planning costs such as planning and design cannot be funded by the Defense Community Infrastructure Program grant but can be used for the local project cost contribution as matching funds, but what about engineering services provided during construction?

Answer: Engineering inspection and oversight costs during construction are allowable construction costs.

28. Can you elaborate on the requirement that a third party validate costs of work? E.g., we have a bid for part of the job done competitively through the state's procurement system - would that count? If so, for the site prep costs which are not covered by that bid can we just use the competitively solicited bids from other similar jobs? How long are cost estimates or bids good for if generated in the past? Can we use the Unified Facilities Criteria (UFC) DoD Pricing Guide as the "third party estimate"?

Answer: If a project has received bids from independent firms, pricing appearing in those bids are acceptable third-party estimates. If bids received do not encompass the total cost of the project, an independent third party should review any bids received for partial project activity, along with the final design and anticipated environmental reviews, and provide an estimate of the cost for the total proposed project to be undertaken, taking into account inflation, current supply chain and labor availability conditions, etc. Cost estimates should be current enough to provide the Review Panel confidence in the accuracy of the cost. The third party providing the estimate may use the Unified Facilities Criteria DoD Facilities Pricing Guide as a reference.

29. Are Operations and Maintenance (O&M) costs included as part of the eligible costs for Defense Community Infrastructure Program?

Answer: No.

30. Regarding the Operations and Maintenance (O&M) costs, one of our cooperatives is thinking of proposing a large generation asset as part of their Defense Community Infrastructure Program bid and is interested in including a warranty for this component. The warranty requires a 10-year maintenance contract and as we understand it, O&M is not an allowable cost. Would a warranty cost be allowed? If so, if O&M costs associated with the warranty were paid up front, could that be considered an allowable cost under Defense Community Infrastructure Program?

Answer: Yes, but the costs associated with the warranty must be paid during the period of performance.

31. Regarding Section D., Paragraph J., “Environmental Compliance”, what does Office of Local Defense Community Cooperation expect the grantee and the associated installation to do to assure National Environmental Policy Act (NEPA) compliance?

Answer: The Office of Local Defense Community Cooperation is responsible for complying with NEPA for construction projects for which its federal funds are granted. To accomplish this, the grant recipient (Grantee) is expected to conduct the appropriate level of environmental review and analysis to support the Office of Local Defense Community Cooperation making a final NEPA determination. The Office of Local Defense Community Cooperation requests the benefitting military installation support this effort to the maximum extent practicable.

- For projects to which a categorical exclusion applies, the Grantee may provide the benefitting military installation with sufficient information and analysis for the installation to generate a record of categorical exclusion. If the installation is willing to sign a categorical exclusion, the Office of Local Defense Community Cooperation may adopt the installation’s categorical exclusion determination for its own final determination in accordance with 40 CFR § 1506.3.
- If an Environmental Assessment (EA) is required, the Grantee must develop an EA in coordination with the benefitting installation and the Office of Local Defense Community Cooperation. After review of the EA, the benefitting installation is requested to provide a finding that the EA is technically sufficient. This informs the Office of Local Defense Community Cooperation to consider the possible issuance of a Finding of No significant Impact for the project, as appropriate as its determination for the project.
- In some cases, another federal agency will be involved in the proposed project and will prepare and complete a categorical exclusion or an EA for the project. The Office of Local Defense Community Cooperation may adopt another agency’s categorical exclusion or EA for its own final NEPA determination in accordance with 40 CFR § 1506.3.

Please note the environmental review process can vary in the amount of time required to complete and may require a public comment period.

32. Can Defense Community Infrastructure Program grant funds be used to pay for work needed to comply with NEPA?

Answer: No. The cost to prepare NEPA documentation, environmental permit applications and similar pre-construction engineering costs cannot be funded with federal funds but may be used as a source for the local cost share (match).

33. Do all 6 elements of construction readiness need to be completed prior to submitting a proposal?

Answer: No, not necessarily. Each element of construction readiness is worth 0 to 5 points based on the status of the element. Proposals should clearly demonstrate where they are in the process and an understanding of the steps necessary to be able to begin construction within 1 year of grant award. Points are awarded based on the Defense Community Infrastructure Program Review Panel's assessment of the progress of each action.

34. Is there a benefit to having more than one installation letter of support?

Answer: If the project benefits multiple installations, the proposal can (but not must) include letters from each installation or one installation commander letter of support that captures the benefit for all benefiting installations.

35. Is there a benefit to including letters of support from a legislative body or other entities (Tribal Nation)?

Answer: Additional letters of support are not required nor is there scoring associated with any letters of support outside of the installation commander letter of support.

#### **D. Supplement, Supplant and Use of Other Funding**

36. Can funds from other (non-Office of Local Defense Community Cooperation) federal sources be used as match for Defense Community Infrastructure Program projects?

Answer: It depends. They must be awarded and accepted by the Proposer through a counter-signed award prior to the time of the proposal's submission, and the federal source must indicate the allowability as match. All proposals including the participation of other federal funds as a funding source must include a copy of a counter-signed funding agreement with the awarding federal agency—and the cover page specifically must identify the participation of other federal funding.

37. Can Defense Community Infrastructure Program federal funding be used to match other partially Federally-funded projects?

Answer: No.

38. The language in the Notice of Funding Opportunity prohibiting funds being supplanted—does that only pertain to federal funds or does this program also prohibit supplanting local funds?

Answer: This funding may not supplant other federal funds that may be available for the proposed project and is not applicable to local or other non-federal funding. Supplanting of funds occurs when Defense Community Infrastructure Program federal funding is provided instead of other eligible federal funding for the project.

39. If a project (access road) is currently being submitted under Defense Access Roads (DAR), does it still qualify for the Defense Community Infrastructure Program?

Answer: No. This is supplanting the DAR program funding.

## **E. General**

40. When will the actual grant funds be available for use?

Answer: Following their obligation (not later than September 30, 2024) and compliance with any special conditions of the award.

41. Can existing facilities that require interior finishing qualify for Defense Community Infrastructure Program? And if so, how would National Environmental Policy Act apply?

Answer: Any “finishing” activities would need to meet the definition of “construction” as used in the Notice of Funding Opportunity and comply with NEPA and Section 106 of the National Historic Preservation Act prior to commencing any ground-disturbing and building renovation.

42. If an eligible entity planned to use their own workforce for roughly 50% of the project and contract 50% of the project, would the current labor pay rate for the eligible entity be acceptable to the Office of Local Defense Community Cooperation?

Answer: A Grantee is responsible for complying with any state- or federal-based prevailing wage rate requirements. The Office of Local Defense Community Cooperation grant funding alone is not subject to prevailing federal wage rates. Where the Office of Local Defense Community Cooperation grant funding is mingled with another funding source that may trigger federal prevailing wage rates, the entire project would then be subject to the common federal prevailing wage rate requirements. Grantees are required to clearly document direct and fringe benefit rates.

43. The Proposer anticipates utilizing a local Governmental organization to assist with National Environmental Policy Act Environmental review compliance, labor standards compliance, procurement compliance, administrative compliance, and report generation. Does the local Governmental organization need to be procured if Defense Community Infrastructure Program grant funds are being used to pay for those services? Could the local Governmental organization be added as a sub-recipient on the project and not need procurement?

Answer: Local Governmental organizations may be brought in through an intergovernmental agreement. If the applicant decides to include this as part of the grant for the purpose of match, then these services can be obtained in accordance with 2 CFR § 200.

44. Most of the engineering will be completed in house; however, some aspects of final design will be contracted out to licensed Engineers. Can engineering procurement take place after the grant application is submitted? Does the procurement need to be completed before application submission?

Answer: Yes, procurements can take place after grant award. However, “soft costs” such as engineering and planning and design costs are only eligible towards the project local cost share (match). Also, the proposal would need to include a third-party cost validation and demonstrate the ability to start construction within one year.



45. Does the Military Installation Resilience (MIR) Program still exist or has MIR grant funding been absorbed under this program?

Answer: The Office of Local Defense Community Cooperation MIR program is now the Installation Resilience program and is separate and distinct from the Defense Community Infrastructure Program.

46. Can you speak to the Office of Local Defense Community Cooperation's coordination with other Federal Agencies and whether Defense Community Infrastructure Program applicants should pursue joint proposals along with their nongovernmental organization/state partners?

Answer: The Defense Community Infrastructure Program may consult with other federal agencies in the consideration of a proposal as necessary, to include review of supplementing of the program funds if it is deemed efficient or economical to do so. The Office of Local Defense Community Cooperation does not have a position on Proposers pursuing joint proposals with other nongovernmental organization/state partners.

47. Is the grant funding firm and fixed to include construction as well as planning and design?

Answer: Yes. Any cost increases are the responsibility of the Grantee. A grant must be downwardly adjusted, proportional to the mix of Federal to non-Federal funding, if actual costs come in below project estimates submitted in the grant application. Note that grant funds may only be used for costs approved based on the budget submitted, validated through an independent third party, and approved at the time of grant award. Soft planning costs required for the planning, design and execution of the proposed project are allowable as a source for non-federal local cost share (match) only.

48. Is the total funding amount divided between the four Defense Community Infrastructure Program enhancement categories in any specific percentages? How will the results of the four different categories be compared for funding priority?

Answer: No. All proposals will be scored based on the merits of each proposal, with scores weighted to prioritize the projects in accordance with legal authority. Proposals will be invited based on gross score ranking and the availability of funding.

49. Regarding Section G. "Funding Sources" of the Notice of Funding Opportunity, it states the proposing entity must also state its capability to secure a surety bond prior to construction. Does requiring the contractor to secure the bond suffice? Or does the grant require the applicant to secure the bond?

Answer: Typically, the contractor obtains a surety bond, which is adequate to meet the requirement.

50. If we plan to resubmit the same project from a previous year, is it recommended to use the same proposal but add supporting material or submit an entirely new proposal?

Answer: Since the Notice of Funding Opportunity is different this year, the Office of Local Defense Community Cooperation recommends submitting a new proposal that follows the specific instructions for the Fiscal Year 2024 program.

51. Can we submit a draft to the POC at the Office of Local Defense Community Cooperation for their review prior to the formal submittal?

Answer: No. This is a competitive grant program, and we are unable review proposals prior to the proposal submission due date.

52. I will submit a proposal that will include a narrative and supporting documents that combined will not exceed 21 pages – do you want the narrative and documents compiled into a single PDF or do you want the supporting documents uploaded separate from the narrative? Is the narrative uploaded using ADD ATTACHMENTS? Typically, I see other forms under APPLICATION PACKAGE FORMS, though what you are seeking at this time is a proposal rather than application, it may be that this is correct: Is the SF-424 Form the only form required at this time?

Answer: Proposers may combine all documents into one document (Microsoft Word or PDF) at their discretion. If Proposers wish to attach separate files (subject to the file types accepted by Grants.gov), please use Section 15 of the Grants.gov SF-424 or use the Attachments Form to add attachments. Yes, the SF-424 is the only standard form requested (and is created within the Grants.gov submission). Please be advised, while the SF-424 is the only form required, other supporting documentation is required as well as described in the Notice of Funding Opportunity. Also, our use of the term ‘proposal’ equates to the term “application” in Grants.gov for the purposes of this program.

53. In reference to a requirement for a project to include a “Federal Interest” for the life of the improvements, how is this interest memorialized? Can a project be sold at some point in the future and the Federal interest be assigned to a new owner (and that owner may not be a unit of local government)?

Answer: Federal Interest is typically memorialized in a document (i.e., a Notice of Federal Interest) attached to the deed of the property on which the project is constructed or documented on the title of a piece of equipment as appropriate. Please refer to 2 CFR §200.311 “Real Property” and §200.313 “Equipment” for the requirements associated with Federal Interest associated with a federal award; specifically, use of OMB’s Standard Forms 428 (for equipment) and 429 (for real property). In the case of the sale of property subject to Federal Interest, the grantee is required to seek Grantor prior approval through submission of a Standard Form 429 Attachment C prior to any sale of property subject to a Federal Interest.

54. We are applying for a Defense Community Infrastructure Program grant while also currently managing the Compatible Use (CU) grant with the Office of Local Defense Community Cooperation. Does the fact they would be managing two grants present a problem?

Answer: No.

55. Does the local township/county usually end up covering the cost to draft up the grant?

Answer: Yes. The costs incurred to prepare a proposal or application are not Defense Community Infrastructure Program grant allowable costs.

56. Are land acquisition costs eligible under the Defense Community Infrastructure Program?

Answer: No, land acquisition costs are not eligible under the Defense Community Infrastructure Program. Land may be donated provided it is acquired independent of the proposed project. The value of this donation must be supported through a Fair Market Value appraisal if to be considered as part of match. A project that involves land acquired using the Uniform Relocation Assistance and Real Property Acquisition Act is not eligible for the Defense Community Infrastructure Program.

57. If the proposal involves the use of land owned by the applicant, can the value of the land be used as any portion of the cost share?

Answer: Potentially, yes. Land acquired prior to the award of a Defense Community Infrastructure Program grant that is integral to a proposed project may be an eligible source for the local cost share contribution. Please refer to 2 CFR § 200.402-409, and 2 CFR § 200.465 for specific cost principles as well as direction on how to assess Fair Market Value for the purposes of the project. Use of Defense Community Infrastructure Program federal grant funds to pay for land acquisition costs for the proposed project are not an allowable cost.

58. What are the responsibilities of a local government entity partnering with a member-owned, not-for-profit utility on a project owned by the utility and working with the utility as a sub-recipient?

Answer: The local government, as a federal grant recipient or Grantee, must maintain compliance with grant terms and conditions as well as applicable regulations, including 2 CFR § 200. The grant recipient should be familiar with the subrecipient sections of 2 CFR § 200, specifically § 200.331 through § 200.333.

59. If awarded Defense Community Infrastructure Program grant funds, will an applicant receive the full amount of funding requested or could they be awarded only a portion of the requested funds?

Answer: Generally. The amount of funds provided in the award and accepted through a counter-signature by the Grantee to the award, will be the amount provided.

60. Are additional points given to those who were awarded/completed resilience planning grants?

Answer: No.

61. Is the Defense Community Infrastructure Program available to Army Working Capital Fund installations?

Answer: Yes, the program is available to Army Working Capital Fund installations. Proposals must be in partnership with an eligible recipient and detail the contributions from the installation.