

**DEPARTMENT OF TRANSPORTATION****Maritime Administration****Notice of Funding Opportunity for the Maritime Administration's Small Shipyard Grant Program****AGENCY:** Maritime Administration, DOT**ACTION:** Notice of Funding Opportunity (NOFO)

**SUMMARY:** This notice solicits applications for the Small Shipyard Grant Program of the Maritime Administration (MARAD). Under the fiscal year (FY) 2023 Small Shipyard Grant Program, up to \$20,800,000 is currently available for grants to: (1) make capital and related improvements to qualified shipyard facilities that will be effective in fostering efficiency; competitive operations; and quality ship construction, repair, and reconfiguration; and (2) provide training for workers in shipbuilding, ship repair, and associated industries. Potential applicants are advised the number of applications will likely exceed the funds available and that only a small percentage of applications will be funded. Historically, the program has selected roughly 15 to 30 applications to receive funding and the average grant amount has been approximately \$1 million.

**TIMING OF GRANT APPLICATIONS:** Applications must be submitted by 5:00 p.m. E.S.T. on February 27, 2023.

**ADDRESSES:** Grant applications must be submitted electronically using Grants.gov (<https://www.grants.gov>). Please be aware that you must complete the Grants.gov registration process before submitting your application and that the registration process usually takes 2 to 4 weeks to complete. Applicants are strongly encouraged to make submissions in advance of the deadline.

**FOR FURTHER INFORMATION CONTACT:** For further information concerning this notice, please contact David M. Heller, Associate Administrator for Business and Finance Development, Maritime Administration, Room W21-318, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590; phone: (202) 366-5737; or fax: (202) 366-6988.

**SUPPLEMENTARY INFORMATION:** Each section of this notice contains information and instructions relevant to the application process for the FY 2023 Small Shipyard Grant Program, and all applicants should read this notice in its entirety to prepare eligible and competitive applications. Some of the program criteria and application requirements have been modified since the FY 2022 Small Shipyard Grant Program. Only applicants who comply with all submission requirements described in this notice will be eligible for award. Applications received after the deadline will not be considered.

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#### **1. Overview**

The Assistance for Small Shipyards statute, codified at 46 U.S.C. 54101, established the Small Shipyard Grant Program to provide assistance in the form of grants to make capital and related improvements in small shipyards and to provide training for workers in shipbuilding, ship repair, and associated industries. The Consolidated Appropriations Act, 2023 (Pub. L. 117-328, December 29, 2022) appropriated \$20,000,000 to the Small Shipyard Grant Program. An additional \$1.2 million in unspent and reallocated funds from the FY 2019 Small Shipyard Grant Program is available for award in FY 2023. Therefore, a total of up to \$20.8 million is available in funding for the FY 2023 Small Shipyard Grant Program after MARAD retains \$400,000 of the funding for grant administration and oversight per 46 U.S.C. 54101.

The purpose of the Small Shipyard Grant Program is to foster efficiency, competitive operations, and quality ship construction, repair, and reconfiguration in small shipyards across the United States in addition to fostering employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries. Award recipients will be expected to comply with the performance goals and reporting requirements as outlined in the executed grant agreement.

In addition to the goals and statutory criteria outlined in 46 U.S.C. 54101 and this notice, the Department seeks to fund projects under the Small Shipyard Grant Program that reduce greenhouse gas emissions in the transportation sector, incorporate evidence-based climate resilience measures and features, reduce the lifecycle greenhouse gas emissions from the project materials, avoid adverse environmental impacts to air or water quality, wetlands, and endangered species, and address the disproportionate negative environmental impacts of transportation on disadvantaged communities, consistent with Executive Order 14008, Tackling the Climate Crisis at Home and Abroad (86 FR 7619).

The Department seeks to award projects under the Small Shipyard Grant Program that proactively evaluate whether a project will create proportional impacts to all populations in a project area and increase equitable access to project benefits, consistent with Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (86 FR 7009). The Department also seeks to award projects that address equity and environmental justice, particularly for communities that have experienced decades of underinvestment and are most impacted by climate change, pollution, and environmental hazards, consistent with Executive Order 14008, Tackling the Climate Crisis at Home and Abroad (86 FR 7619).

The Department intends to use the Small Shipyard Grant Program to support the creation of good-paying jobs with the free and fair choice to join a union and the incorporation of strong labor standards and training and placement programs, especially registered apprenticeships, in project planning stages, consistent with Executive Order 14025, Worker Organizing and Empowerment (86 FR 22829). The Department also intends to use the Small Shipyard Grant Program to support wealth creation, consistent with the Department's Equity Action Plan<sup>1</sup> through the inclusion of local inclusive economic development and entrepreneurship such as the utilization of Disadvantaged Business Enterprises, Minority-owned Businesses, Women-owned Businesses, or 8(a) firms.

## **2. Changes from the FY 2022 NOFO**

The FY 2023 Small Shipyard Grant Program NOFO includes updated selection considerations pertaining to: Safety; Climate Change and Sustainability; Equity and Justice<sup>40</sup>; and Workforce Development, Job Quality, and Wealth Creation; as described in more detail in section D of this NOFO. Application review criteria in section E of this notice have been updated to reflect these

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<sup>1</sup> [https://www.transportation.gov/sites/dot.gov/files/2022-04/Equity\\_Action\\_Plan.pdf](https://www.transportation.gov/sites/dot.gov/files/2022-04/Equity_Action_Plan.pdf)

revised selection considerations. Other changes have been made throughout the FY 2023 Small Shipyard Grant Program NOFO to better illustrate application requirements.

### **3. Additional Information**

The Small Shipyard Grant Program is described in the Federal Assistance Listings under the assistance listing program title “Assistance to Small Shipyards” and assistance listing number 20.814.

#### **B. Federal Award Information**

Under the FY 2023 Small Shipyard Grant Program, \$20,800,000 is available for grants for:

- (1) capital and related improvements to qualified shipyard facilities that will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration; and
- (2) training projects that will be effective in fostering employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries. MARAD intends to award the full amount of available funding through grants to the extent that there are worthy applications. No more than 25 percent of the funds available may be awarded to any small shipyard in one geographic location that has more than 600 production employees. MARAD will seek to obtain the maximum benefit from the available funding by awarding grants to as many of the worthiest projects as possible. MARAD may also award grant funds to support a portion of a project described in an application by selecting a discrete component(s).

MARAD will administer each Small Shipyard Grant pursuant to a grant agreement with the grant recipient, and the start date and period of performance for each award will depend on the specific project and must be agreed to by MARAD in the grant agreement. Grant funds will be administered on a reimbursable basis. Any costs incurred prior to MARAD’s obligation of funds for a project are ineligible for reimbursement and are ineligible to count as match for cost share requirements. Obligation occurs when a selected applicant and MARAD enter into a written grant agreement after the applicant has satisfied applicable administrative requirements. Amounts awarded as a grant under this notice that are not expended by the recipient shall remain available to the Maritime Administrator for use for grants under this program, either in the same or different fiscal year as this notice. In addition to the FY 2023 Small Shipyard Grant Program funds, unexpended prior year Small Shipyard Grant Program funds may be made available and awarded under this notice to eligible projects.

#### **C. Eligibility Information**

To be selected for a FY 2023 Small Shipyard Grant, an applicant must be an eligible applicant

and the project must be an eligible project.

### **1. Eligible Applicants**

Section 54101 of Title 46, United States Code, provides that shipyards can apply for grants. The shipyard facility for which a grant is sought must be in a single geographic location and may not have more than 1,200 production employees. The applicant must be the operating company of the shipyard facility. The shipyard facility must construct, repair, or reconfigure vessels 40 feet in length or greater for commercial or government use, or construct, repair, or reconfigure vessels 100 feet in length or greater for non-commercial vessels. Refer to section D.5, Funding Restrictions, for more information.

### **2. Cost Sharing or Matching**

The Federal funds for any eligible project cannot exceed 75 percent of the total cost of such project. Therefore, an eligible applicant must provide at least 25 percent of grant project costs from non-Federal sources. Third-party in-kind contributions are not allowed to satisfy the matching requirement. The applicant is required to submit detailed financial statements and supporting documentation demonstrating how and when such matching requirement is proposed to be funded. The recipient's entire cost share must be incurred after the execution date of the grant agreement but prior to payment of any Federal funds for the project. Refer to section D.2 for the documentation required to satisfy the matching requirement. Refer to section E.1.(c) for information on how MARAD will evaluate cost share when selecting applications for award.

### **3. Other**

#### **i. Eligible Projects**

Eligible projects include: (1) capital and related improvement projects in small shipyards that will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration; and (2) training projects that will be effective in fostering employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries. For capital improvement projects, all items proposed for funding must be new and must be owned by the successful grant applicant.

Grant funds may also be used for maritime training programs to foster employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries. Grants for such training programs may only be awarded to "eligible applicants" as described above, but training programs can be established through vendors to such applicants. A maritime training center that has received funds in FY 2023 under section 51706 of title 46, United States Code, shall not be eligible for

grants under this notice for training purposes.

For both capital improvement and training projects, all project costs, including the recipient's share, must be incurred after the date of the grant agreement.

Grants under MARAD's Small Shipyard Grant Program may not be used to construct buildings or other physical facilities or to acquire land.

## **ii. Application Limit**

Each eligible applicant may submit one application that may contain multiple projects, but MARAD will not make more than one award per eligible applicant under this notice.

## **D. Application and Submission Information**

### **1. Address to Request Application Package**

This announcement contains all the information needed for applicants to apply for this funding opportunity. Applications must be submitted through Grants.gov.

### **2. Content and Form of Application Submission**

Applications must include the Standard Form 424 (SF-424, Application for Federal Assistance), which is available on the Grants.gov website at <https://www.grants.gov/web/grants/forms/sf-424-family.html>. The application for a grant must also include all of the following information as an addendum to the SF-424. The information should be organized in sections as described below:

**Section 1:** A description of the shipyard including: (a) location of the shipyard, including demographic information describing any minority, low income, or limited English proficient communities in the vicinity of, and potentially impacted by, the proposed project<sup>2</sup>; (b) a description of the shipyard facilities; (c) years in operation; (d) ownership; (e) customer base; (f) current order book including type of work; (g) vessels delivered (or major projects) over last 5 years; and (h) website address, if any.

**Section 2:** For each project proposed for funding the following must be included in the application:

(a) A comprehensive detailed description of the project, including a statement of whether the project will replace existing equipment, and, if so, the disposition of the replaced equipment.

(b) A description of the need for the project in relation to shipyard operations and business plan and an explanation of how the project will fulfill this need.

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<sup>2</sup> Applicants are encouraged to utilize EPA's [EJScreen](#) or DOT's [Transportation Disadvantaged Census Tracts](#) tool to identify the demographics of the communities potentially impacted by the project.

- (c) A quantitative analysis demonstrating how the project will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, or reconfiguration (for capital improvement projects) or how the project will be effective in fostering employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries. The analysis should quantify the benefits of the project in terms of man-hours saved, dollars saved, percentages, or other meaningful metrics. The methodology of the analysis should be explained with assumptions used, identified, and justified.
- (d) A detailed methodology and timeline for implementing the project, including identifying major project milestones. The project schedule should be sufficiently detailed to demonstrate that the project will be completed without unreasonable delay.
- (e) A detailed itemization of the cost of the project together with supporting documentation, including current vendor quotes and estimates of installation costs.
- (f) A statement explaining the anticipated National Environmental Policy Act (NEPA) level of review for the project and describing any environmental analysis in progress or completed, including Categorical Exclusion, Environmental Assessment/Finding of No Significant Impact, or Environmental Impact Statement/Record of Decision. The applicant should review the Maritime Administration Manual of Orders MAO 600-1 (available at <https://www.maritime.dot.gov/sites/marad.dot.gov/files/docs/environment-security-safety/office-environment/596/mao600-001-0.pdf>) prior to submission. The application should also describe whether the project will require any other environmental licenses, permits, or approvals, such as Army Corps of Engineers permits. The successful applicant should be aware that the final determination of NEPA class of action will be made by MARAD after grant award announcement. The successful applicant will be responsible for the completion of MARAD's NEPA documentation, in collaboration with MARAD's Office of Environmental Compliance, prior to execution of the grant agreement.
- (g) Addressing Departmental Selection Considerations. This section should demonstrate how the project aligns with Departmental selection considerations. MARAD encourages applicants to address each selection consideration, or expressly state that the project does not address the selection consideration. Guidance describing how MARAD will evaluate projects against these selection considerations is in section E.1 of this notice.
- (i) **Safety:** MARAD encourages applicants to address how their project provides substantial safety benefits. Prior to receiving funds, all projects are expected to, at a minimum, identify and mitigate to the extent practicable any significant safety risks that could result after the

project completion. Applicants should include in this section how their project will not negatively impact the overall safety of the traveling public.

(ii) Equity<sup>3</sup> and Justice<sup>40</sup>. MARAD encourages applicants to address how their project will include an equity assessment, which evaluates whether a project will create proportional impacts and remove transportation-related disparities to all populations in a project area, consistent with Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (86 FR 7009). Although not required, applicants are encouraged to use DOT's Transportation Disadvantaged Census Tracts tool<sup>4</sup> or equivalent tools in their assessment. Applicants should demonstrate how meaningful public engagement will occur throughout a project's life cycle and to the extent possible, target at least 40 percent of benefits towards low-income communities, disadvantaged communities, communities underserved by affordable transportation, or overburdened communities. The applicant should indicate which (if any) planning and policies related to equity they are implementing or have implemented along with the specific project investment details. For example, the applicant could: describe how the project incorporates an equity impact analysis; describe how the project adopts an equity and inclusion program/plan or implementation of equity-focused policies related to project procurement, material sourcing, construction, inspection, or other activities designed to ensure equity in the overall project delivery and implementation; or provide documentation of equity-focused community outreach and public engagement in the project's planning and project elements in underserved communities; describe related impacts, justification for, and possible mitigation if proposed project will take property or displace, relocate, or otherwise disparately affect communities in the vicinity of the project on the basis of race, color, or national origin during or following the completion of the project. Where applicable, the applicant must also include an analysis of the extent to which, if any, the proposed project will take property or displace, relocate, or otherwise disparately

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<sup>3</sup> "Equity" is defined as the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. Public engagement should be tailored to the size and scope of the project. For additional information on community engagement, see [Promising Practices for Meaningful Public Involvement in Transportation Decision-Making](#)

<sup>4</sup> Information on DOT's Transportation Disadvantaged Census Tract tool can be found at: <https://usdot.maps.arcgis.com/apps/dashboards/d6f90dfcc8b44525b04c7ce748a3674a>.



affect communities in the vicinity of the project on the basis of race, color, or national origin during or following the completion of the project

(iii) Climate Change and Sustainability. MARAD encourages applicants to address how the project will consider climate change and environmental justice in the planning stage and in project delivery. In particular, applicants should address the extent to which the project reduces greenhouse gas emissions in the transportation sector, incorporates evidence-based climate resilience measures and features, and reduces the lifecycle greenhouse gas emissions from the project materials. Applicants also should address the extent to which the project avoids adverse environmental impacts to air or water quality, wetlands, and endangered species, as well as address disproportionate negative impacts of climate change and pollution on disadvantaged communities, including natural disasters, with a focus on prevention, response, and recovery.

Applications should also address whether the proposed grant project demonstrates a movement towards lower carbon emissions or net zero emissions, describe the specific and direct ways that the project will mitigate or reduce climate change impacts, and describe how the project will improve resiliency of at-risk infrastructure, including if projects in floodplains are upgraded consistent with the Federal Flood Risk Management Standard in support of Executive Order 14030, Climate-Related Financial Risk (86 FR 27967), as applicable and to the extent consistent with current law. The Applicant should also indicate if it maintains a publicly available emissions inventory of greenhouse gases and/or other air pollutants completed after 2019, or, whether it intends to develop one.<sup>5</sup>

(iv) Workforce Development, Job Quality, and Wealth Creation. MARAD encourages applicants to address how their project will create good-paying jobs with the free and fair choice to join a union; promote investments in high-quality workforce development programs with supportive services to help train, place, and retain people in good-paying jobs or registered apprenticeships, with a focus on women, people of color, and others that are underrepresented in infrastructure jobs (people with disabilities, people with convictions, etc.); and change hiring policies and workplace cultures to promote the entry and retention of underrepresented populations. Applicants should address how the project promotes local

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<sup>5</sup> The EPA provides guidance for developing emissions inventories for ports, which can be found here: <https://www.epa.gov/state-and-local-transportation/port-emissions-inventory-guidance>.

inclusive economic development and entrepreneurship such as the utilization of Disadvantaged Business Enterprises, Minority-owned Businesses, Women-owned Businesses, or 8(a) firms.

(h) **Domestic Preference.** This section should include a description of whether all iron, steel, manufactured products, and construction materials to be used in the project are produced in the United States in accordance with 46 U.S.C. 54101(d)(2) and should expressly address how the applicant plans to comply with domestic preference requirements as described in section F.2 of this notice. If an applicant anticipates any potential foreign-content issues with its proposed project, applications should demonstrate that the domestic source is not available, how that determination was achieved, and the applicant's current efforts and planned future efforts to maximize domestic content.

Applicants should also use this section to provide a description of any compliance reviews, external lawsuits, investigations, or complaints alleging discrimination, of any kind, occurring in the last five years. The applicant should also provide information discussing the demographic makeup of any existing or proposed planning or advisory body associated with the project and describe their efforts to encourage the participation of minority, low income, and limited English proficient individuals.

Items 2(a) thru 2(i) should be repeated, in order, for each separate project included in the application.

**Section 3:** Grant Funds, Sources, and Uses of Project Funds. This section should include a budget table with a prioritized list of projects with the total project cost and Federal government share (in dollars) for each. The Project budget should show how different funding sources will share in each activity and present those data in dollars and percentages. The budget should identify other Federal funds, if any, that the applicant intends to use. Funding sources should be grouped into three categories: non-Federal, Small Shipyard Grant Program Federal funds, and other Federal with specific amounts from each funding source.

**Section 4:** A description of any existing programs or arrangements, if any, that will be used to supplement or leverage the Federal grant assistance.

**Section 5:** Shipyard company officer's certification of each of the following requirements:

- (a) That the shipyard facility for which a grant is sought is in a single geographic location and (i) the shipyard facility has no more than 600 production employees, or (ii) the shipyard facility has more than 600 production employees, but not more than 1,200 production employees (the shipyard officer must certify to either (i) or (ii));
- (b) That the applicant has the authority to carry out the proposed project; and
- (c) In accordance with the U.S. Department of Transportation's regulation restricting lobbying,

49 CFR Part 20, that the applicant has not, and will not, make any prohibited payments out of the requested grant. Certifications are not required to be notarized.

**Section 6:** Unique entity identifier of shipyard's parent company (when applicable) or Data Universal Numbering System (DUNS + 4 number) (when applicable).

**Section 7:** The most recent year-end audited, reviewed, or compiled financial statements, prepared by a certified public accountant (CPA), per U.S. generally accepted accounting principles (not tax-based accounting financial statements). If CPA prepared financial statements are not available, provide the most recent financial statement for the entity. Do not provide tax returns.

**Section 8:** Statement regarding the relationship between applicants and any parents, subsidiaries or affiliates, if any such entity is going to provide a portion of the match.

**Section 9:** Evidence documenting applicant's ability to make proposed matching requirement (e.g., loan agreement, commitment from investors, and cash on balance sheet) and in the timeline outlined in 2(d) above.

**Section 10:** Pro-forma financial statements reflecting:

- (a) financial condition beginning of period;
- (b) effect on balance sheet of grant and matching funds (e.g., a decrease in cash or increase in debt, additional equity, and an increase in fixed assets); and
- (c) impact on company's projected financial condition (balance sheet) of completion of project, showing that company will have sufficient financial resources to remain in business.

**Section 11:** Statement explaining whether during the past five years, the applicant or any predecessor or related company has been in bankruptcy or in reorganization under Chapter 11 of the Bankruptcy Code, or in any insolvency or reorganization proceedings, and whether any substantial property of the applicant or any predecessor or related company has been acquired in any such proceeding or has been subject to foreclosure or receivership during such period. If so, give details.

**Section 12:** Evidence of registration with the System for Award Management (SAM) at <https://www.SAM.gov>, including the applicant's Unique Entity Identifier<sup>6</sup> number.

### **3. Unique Entity Identifier and SAM**

Each applicant must be registered in [www.SAM.gov](https://www.SAM.gov) before submitting its application, provide a valid unique entity identifier number in its application, and always maintain an active SAM

<sup>6</sup> On April 4, 2022, the Federal government will stop using the Data Universal Numbering System (DUNS) number to uniquely identify entities. At that point, entities doing business with the Federal government will use a Unique Entity Identifier (UEI) created in SAM.gov. If your entity is currently registered in SAM.gov, your UEI has already been assigned and is viewable in SAM.gov. This includes inactive registrations.

registration with current information during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

MARAD may not make a Federal award until the applicant has complied with all applicable unique entity identifier and SAM requirements and, if an applicant has not complied with the requirements by the time MARAD is ready to make a Federal award, MARAD may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

#### **4. Submission Dates and Times**

Applications must be submitted to Grants.gov by 5:00 p.m. E.S.T. on February 27, 2023. Grants.gov attaches a time stamp to each application at the time that submission is complete. Applications with a time stamp after the deadline will not be considered. MARAD does not accept applications via mailed paper, fax machine, email, or other means. Please note that the Grants.gov registration process usually takes 2 to 4 weeks to complete.

#### **5. Funding Restrictions**

Grants awarded under MARAD's Small Shipyard Grant Program may not be used to construct buildings or other physical facilities or to acquire land. No more than 25 percent of the funds available may be awarded to any small shipyard in one geographic location that has more than 600 production employees. A maritime training center that has received funds in FY 2023 under section 51706 of title 46, United States Code, shall not be eligible for grants under this notice for training purposes.

Federal award recipients and subrecipients are prohibited from obligating or expending grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. See Section 889 of Public Law 115-232 (National Defense Authorization Act 2019).

#### **6. Other Submission Requirements**

##### **(a) Submission location.**

Grant applications must be submitted electronically using Grants.gov (<https://www.grants.gov>). To apply through Grants.gov, applicants must:

- i. Obtain a Unique Entity Identifier number.
- ii. Register with SAM at [www.SAM.gov](http://www.SAM.gov).
- iii. Create a Grants.gov username and password; and

iv. Complete Authorized Organization Representative (AOR) registration in Grants.gov. The E-Business Point of Contact (POC) at the applicant's organization must respond to the registration email from Grants.gov and login at Grants.gov to authorize the applicant as the AOR. There can be more than one AOR for an organization. Please note that the Grants.gov registration process usually takes 2 to 4 weeks to complete and the Department will not consider late applications that are the result of a failure to register or comply with Grants.gov applicant requirements in a timely manner. For information and instruction on each of these processes, please see instructions at <https://www.grants.gov/applicants/applicant-faqs.html>. If applicants experience difficulties at any point during the registration or application process, please call the Grants.gov Customer Service Support Hotline at 1 (800) 518-4726.

**(b) Compliance with Section 508 of the Rehabilitation Act of 1973.**

MARAD encourages applicants to submit documents that are compliant with Section 508 of the Rehabilitation Act of 1973. Section 508 guidelines are available at <https://www.access-board.gov/ict/>.

**(c) Sharing of Application Information.**

Except for the information properly marked as described in section H of this notice, MARAD may share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program's objectives.

**E. Application Review Information**

This section specifies the selection criteria that MARAD will use to evaluate and award applications for FY 2023 Small Shipyard Grants. All applications will be evaluated for their alignment with the statutory merit criteria. MARAD will also consider the extent to which applications align with Departmental selection considerations and may give priority to those projects that align well when selecting among highly rated applications.

**1. Criteria**

**(a) Merit Criteria.**

Consistent with the requirements of 46 U.S.C. 54101(b)(1), MARAD will evaluate all applications based on how effective the projects for which funding is sought will be in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration (for capital improvement projects) or how effective the projects will be in fostering employee skills and enhancing productivity related to shipbuilding, ship repair, and associated industries. To facilitate the technical review, applications should focus on *Section 2* in section D.2 of this notice, especially

*Section 2(c)*, to offer the best chance of an award.

**(b) Selection Considerations.**

After evaluating applications for the statutory merit criteria, MARAD will consider the extent to which applications align with the following Departmental selection considerations, as described in more detail in *Section 2(g)* of section D.2 of this notice:

**(i) Safety**

MARAD will consider the extent to which projects provide substantial safety benefits for all users and/or do not negatively impact safety for all users and may prioritize those projects that advance this selection consideration.

**(ii) Climate Change and Sustainability**

MARAD will consider the extent to which projects address climate change and sustainability, to include environmental justice, and may prioritize those projects that advance this selection consideration.

**(iii) Equity and Justice<sup>40</sup>**

MARAD will consider the extent to which projects advance equity and Justice<sup>40</sup> to promote fairness and opportunity and may prioritize those projects that advance this selection consideration.

**(iv) Workforce Development, Job Quality, and Wealth Creation**

MARAD will consider the extent to which projects support the creation of good-paying jobs with the free and fair choice to join a union and the incorporation of strong labor standards and training and placement programs, especially registered apprenticeships, and may prioritize those projects that advance this selection consideration, consistent with Executive Order 14025, Worker Organizing and Empowerment (86 FR 22829).

**(c) Additional Considerations.**

(i) MARAD will give preference to those projects for which an applicant's percentage non-Federal match contribution towards the overall project is greater than the statutory 25 percent minimum and greater than other competing grant applications.

(ii) Applications that propose to use grant funds for domestic-content purchases will be more competitive than those that may require a waiver to the domestic content requirements described in section F.2 of this notice.

**(d) Determinations.** As required pursuant to 46 U.S.C. 54101(f)(4), MARAD may not award a grant under this notice unless the Maritime Administrator determines that:

- (A) sufficient funding is available to meet the matching requirements described in section C.2;
- (B) the project will be completed without unreasonable delay; and
- (C) the recipient has authority to carry out the proposed project.

## **2. Review and Selection Process**

MARAD will review all eligible applications received before the deadline. The Small Shipyard Grant review and selection process consists of three phases: Technical Review, Senior Review, and Final Selection. In the Technical Review phase, a Review Panel made up of technical experts, including naval architects and engineers from MARAD's Office of Shipyards and Marine Engineering, will review all timely applications. Additional input may be provided to the Review Panel on economic issues by the Office of Financial Approvals, on environmental issues by the Office of Environment, and on legal issues by the Office of Chief Counsel. The Review Panel will assign a rating of "Highly Recommended," "Recommended," or "Not Recommended" based on how well each application aligns with the merit criteria. After applying the merit criteria, MARAD will consider the extent to which applications align with the Departmental selection considerations and may give priority to those projects that align well when selecting among highly rated applications. MARAD will also evaluate applications to ensure they meet the determinations outlined in section E.1(d) of this notice.

In the second review phase, the Senior Review Team, which is led by the Maritime Administrator, will consider applications based upon the input of the Review Panel. The Senior Review Team will determine which projects to advance to the Under Secretary of Transportation for Policy.

In the third phase, the Under Secretary of Transportation for Policy reviews selected projects for final award consistent with the merit criteria and selection considerations. Pursuant to the requirement at 46 U.S.C. 54101(b)(3), the Department must award grants not later than 120 days after the date of the enactment of the appropriations act.

## **3. Federal Awardee Performance and Integrity Information System (FAPIIS) Check**

Prior to obligation of funds, MARAD is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently FAPIIS) (see 41 U.S.C.2313). An applicant, at its option, may review information in FAPIIS and comment on any information about itself that a Federal awarding agency previously entered. MARAD will consider any comments by the applicant, in addition to the other information in

FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants.

## **F. Federal Award Administration Information**

### **1. Federal Award Notices**

Following the evaluation outlined in section E, and after the required notice to Congress, MARAD will announce awarded projects by posting a list of selected projects at <https://www.maritime.dot.gov/grants-finances/small-shipyard-grants>. The Department shall award grants under this section not later than 120 days after the date of the enactment of the appropriations act for the fiscal year concerned.

Following the selection of award announcement, MARAD will contact the point of contact listed in the SF-424 to initiate development of the grant agreement. Recipients of an award will not receive lump-sum cash disbursements at the time of selection of award announcement or obligation of funds. Instead, Small Shipyard Grant funds will reimburse recipients only after grant agreements have been executed, allowable expenses are incurred, and valid requests for reimbursement have been submitted and approved by the program contact. Small Shipyard Grant recipients must adhere to applicable Federal and programmatic requirements and follow established procedures to receive reimbursement.

### **2. Administrative and National Policy Requirements**

#### **(a) Administrative Requirements.**

All awards must be administered pursuant to applicable Federal laws, rules, and regulations of MARAD. MARAD will determine the period of performance for each award based on the specific project that was evaluated and selected. MARAD will administer each Small Shipyard grant pursuant to a grant agreement with the grant recipient.

In connection with any program or activity conducted with or benefiting from funds awarded under this notice, recipients of funds must comply with all applicable requirements of Federal law, including, without limitation, the Constitution of the United States; statutory, regulatory, and public policy requirements, including without limitation, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination; the conditions of performance, nondiscrimination requirements, and other assurances made applicable to the award of funds in accordance with regulations of DOT; and applicable Federal financial assistance and contracting principles promulgated by the Office of Management and Budget. In complying with these



requirements, recipients must ensure that no concession agreements are denied, or other contracting decisions made, on the basis of speech or other activities protected by the First Amendment.

Further, financial assistance recipients must comply with health and safety, labor, employment, and equal employment opportunity laws including, but not limited to, the right to organize, proper classification of workers as employees or independent contractors, and the Occupational Safety and Health Act.

If MARAD determines that a recipient has failed to comply with applicable Federal requirements, MARAD may terminate the award of funds and disallow previously incurred costs, requiring the recipient to reimburse any expended award funds.

**(b) Program Requirements.**

**(1) Domestic Preference.** As expressed in Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers (86 FR 7475), the executive branch should maximize, consistent with law, the use of goods, products, and materials produced in, and services offered in, the United States. Funds made available under this notice are subject to the domestic preference requirements at 46 U.S.C. 54101(d)(2). Subject to few exceptions, these requirements state that no funds may be obligated by MARAD for this program unless each product or material purchased with these funds (including products and materials purchased by a grant recipient), and including any commercially available off-the-shelf item, is:

- (i) An unmanufactured article, material, or supply that has been mined or produced in the United States; or
- (ii) A manufactured article, material, or supply that has been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States. MARAD expects all applicants to comply with these requirements without needing a project-specific waiver for domestic preference requirements.

**(2) Critical Infrastructure Security and Resilience.** It is the policy of the United States to strengthen the security and resilience of its critical infrastructure against both physical and cyber threats including threats to reliable PNT data such as spoofing and jamming of GPS. Each applicant selected for Federal funding under this notice must demonstrate, prior to the signing of the grant agreement, effort to consider and address physical and cyber security risks relevant to the transportation mode and type and scale of the project. Projects that have not appropriately considered and addressed physical and cyber security and resilience in their planning, design, and project

oversight, as determined by the Department and the Department of Homeland Security, will be required to do so before receiving funds for construction, consistent with Presidential Policy Directive 21 - Critical Infrastructure Security and Resilience and the National Security Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems.

Information on cybersecurity performance goals can be found at <https://www/cisa.gov/cpg>. These performance goals provide a baseline set of cybersecurity practices broadly applicable across critical infrastructure with known risk-reduction value, a benchmark for critical infrastructure operators to measure and improve their cybersecurity maturity, and a combination of recommended practices for IT and OT owners, including a prioritized set of security practices. Additionally, funding recipients must comply with 2 CFR 200.216 and the prohibition on certain telecommunications and video surveillance services or equipment.

**(3) Civil Rights and Title VI.** As a condition of grant award, grant recipients should demonstrate that the recipient has a plan for compliance with civil rights obligations and nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 and implementing regulations (49 CFR part 21), the Americans with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act, and all other civil rights requirements and accompanying regulations. As applicable, grant recipients will be expected to develop a Title VI program plan and a plan to address any legacy infrastructure or facilities that are not compliant with ADA standards. MARAD's Office of Civil Rights will work with awarded grant recipients to ensure full compliance with Federal civil rights requirements. Recipients are encouraged to demonstrate that they have a plan in place that demonstrates action to create an inclusive workplace environment with a commitment to equal opportunity and freedom from harassment.<sup>7</sup>

**(4) Federal Contract Compliance.** As a condition of grant award and consistent with Executive Order 11246, Equal Employment Opportunity (30 FR 12319, and as amended), all Federally assisted contractors are required to make good faith efforts to meet the goals of 6.9 percent of construction project hours being performed by women, in addition to goals that vary based on geography for construction work hours and for work being performed by people of color. Under Section 503 of the Rehabilitation Act and its implementing regulations, affirmative action obligations for certain contractors include an aspirational employment goal of 7 percent workers with disabilities.

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<sup>7</sup> This could include provisions that prohibit unlawful discrimination against people with former justice involvement; efforts to prevent hostility and harassment based on race, color, religion, sex, sexual orientation, gender identity, national origin, and disability; training on anti-harassment and third-party reporting procedures, and robust anti-retaliation measures, covering employees and contractors.

### **3. Reporting**

#### **(a) Progress Reporting on Grant Activities.**

Each applicant selected for a Small Shipyard Grant will be required to work with MARAD on the development and implementation of a plan to collect information and report on the project's performance with respect to the relevant long-term outcomes that are expected to be achieved through the capital project or training. Performance indicators will not include formal goals or targets, but will require analysis of post-project outcomes, which will inform the Small Shipyard Grant Program in working towards best practices, programmatic performance measures, and future decision-making guidelines.

#### **(b) Performance and Program Evaluation**

As a condition of grant award, grant recipients may be required to participate in an evaluation undertaken by DOT or another agency or partner. The evaluation may take different forms such as an implementation assessment across grant recipients, an impact and/or outcomes analysis of all or selected sites within or across grant recipients, or a benefit/cost analysis or assessment of return on investment. DOT may require applicants to collect data elements to aid the evaluation. As a part of the evaluation, as a condition of award, grant recipients must agree to: (1) make records available to the evaluation contractor or DOT staff; (2) provide access to program records, and any other relevant documents to calculate costs and benefits; (3) in the case of an impact analysis, facilitate the access to relevant information as requested; and (4) follow evaluation procedures as specified by the evaluation contractor or DOT staff.

Recipients and subrecipients are also encouraged to incorporate program evaluation including associated data collection activities from the outset of their program design and implementation to meaningfully document and measure the effectiveness of their projects and strategies. Title I of the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act), Pub. L. No. 115-435 (2019) urges Federal awarding agencies and Federal assistance recipients and subrecipients to use program evaluation as a critical tool to learn, to improve equitable delivery, and to elevate program service and delivery across the program lifecycle. Evaluation means "an assessment using systematic data collection and analysis of one or more programs, policies, and organizations intended to assess their effectiveness and efficiency" (codified at 5 U.S.C. 311). For grant recipients, evaluation expenses are allowable costs (either as direct or indirect), unless prohibited by statute or regulation, and such expenses may include the personnel and equipment needed for data infrastructure and expertise in data analysis, performance, and evaluation.

**(c) Reporting of Matters Related to Recipient Integrity and Performance**

If the total value of a selected applicant's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then the applicant during that period of time must maintain the currency of information reported to the SAM that is made available in FAPIIS about civil, criminal, or administrative proceedings described further in the terms to the grant agreement. This is a statutory requirement under Section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by Section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

**G. Federal Awarding Agency Contacts**

For further information concerning this notice please contact David M. Heller, Associate Administrator for Business and Finance Development, Maritime Administration, Room W21-318, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590; phone: (202) 366-5737; or fax: (202) 366-6988. To ensure applicants receive accurate information about eligibility or the Program, you are encouraged to contact MARAD directly with questions.

**H. Other Information**

**1. Protection of Confidential Business Information**

All information submitted as part of or in support of any application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards, to the extent possible. If the applicant submits information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant must provide that information in a separate document, which the applicant may cross-reference from the application narrative or other portions of the application. For the separate document containing confidential information, the applicant must do the following: (1) state on the cover of that document that it "Contains Confidential Business Information (CBI)"; (2) mark each page that contains confidential information with "CBI"; (3) highlight or otherwise denote the confidential content on each page; and (4) at the end of the document, explain why the information you are submitting is CBI. DOT will protect confidential information complying with these requirements to the extent required under applicable law. If DOT receives a Freedom of Information Act (FOIA) request for the information that the applicant has marked in accordance with this section, DOT will follow the procedures described in

its FOIA regulations at 49 CFR 7.29. Only information that is in the separate document, marked in accordance with this section, and ultimately determined to be confidential under Section 7.29 will be exempt from disclosure under FOIA.

## **2. Publication and Sharing of Application Information**

Following the completion of the selection process and announcement of awards, MARAD intends to publish a list of all applications received along with the names of the applicant organizations and funding amounts requested. Except for the information properly marked as described in section H.1., MARAD may make application narratives publicly available or share application information within the Department or with other Federal agencies if MARAD determines that sharing is relevant to the respective program's objectives.

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January 17, 2023

By Order of the Maritime Administrator