The Department of Homeland Security (DHS)
Notice of Funding Opportunity (NOFO)
Fiscal Year 2016 Port Security Grant Program (PSGP)

NOTE: **Eligible recipients who plan to apply for this funding opportunity but who have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), should take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take 4 weeks or more after the submission of a SAM registration before the registration becomes active in SAM, then an additional 24 hours for Grants.gov to recognize the information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: http://www.grants.gov/web/grants/register.html**. Detailed information regarding DUNS and SAM is also provided in Section D of this NOFO, subsection, Content and Form of Application Submission.

A. Program Description

Issued By

U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD)

Catalog of Federal Domestic Assistance (CFDA) Number

97.056

CFDA Title

Port Security Grant Program

Notice of Funding Opportunity Title

Port Security Grant Program

NOFO Number

DHS-16-GPD-056-00-01

Authorizing Authority for Program

Section 102 of the *Maritime Transportation Security Act of 2002*, as amended, (Pub. L. No. 107-295) (46 U.S.C. § 70107)

Appropriation Authority for Program

Department of Homeland Security Appropriations Act, 2016 (Pub. L. No. 114-113)

Program Type

New

Program Overview, Objectives, and Priorities

Overview

The Department of Homeland Security Fiscal Year (FY) 2016 Port Security Grant Program (PSGP) plays an important role in the implementation of the National Preparedness System by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal (the Goal) of a secure and resilient Nation. Delivering core capabilities requires the combined effort of the whole community, rather than the exclusive effort of any single organization or level of government. The FY 2016 PSGP's allowable costs support efforts to build and sustain core capabilities across Prevention, Protection, Mitigation, Response, and Recovery mission areas, with specific focus on addressing the security needs of our Nation's maritime ports. The PSGP supports the Quadrennial Homeland Security Review Mission to Strengthen National Preparedness and Reslience.

Objectives

Recipients under the FY 2016 PSGP are encouraged to build and sustain core capabilities through activities such as:

- Strengthening governance integration;
- Enhancing strategic ports within the National Port Readiness Network;
- Enhancing Maritime Domain Awareness (MDA);
- Enhancing Improvised Explosive Device (IED) and Chemical, Biological, Radiological, Nuclear, Explosive (CBRNE) prevention, protection, response and supporting recovery capabilities within the maritime domain;
- Enhancing cybersecurity;
- Maritime security risk mitigation projects that support port resilience and recovery capabilities, as identified in an Area Maritime Security Plan or facility security plan;
- Training and exercises; and
- Transportation Worker Identification Credential (TWIC) implementation.

Priorities

The vast majority of U.S. maritime critical infrastructure is owned or operated by state, local, and private sector maritime industry partners. PSGP funds available to these entities are intended to improve port-wide maritime security risk management; enhance maritime domain awareness; support maritime security training and exercises; and to maintain or reestablish maritime security mitigation protocols that support port recovery and resiliency capabilities. PSGP investments must address the U.S. Coast Guard (USCG) and Area Maritime Security Committee (AMSC) identified vulnerabilities in port security and support the prevention, protection, response, and recovery from attacks involving IED and other non-conventional weapons.

For additional information on program priorities and objectives for the FY 2016 PSGP, refer to Appendix A – PSGP Program Priorities.

B. Federal Award Information

Award Amounts, Important Dates, and Extensions

Available Funding for the PSGP: $100,000,000

Period of Performance: Thirty-six (36) months

Extensions to the period of performance are allowed. For additional information on period of performance extensions, refer to Section H of this NOFO, Additional Information (Extensions).

Projected Period of Performance Start Date: September 1, 2016

Projected Period of Performance End Date: August 31, 2019

Funding Instrument: Grant

C. Eligibility Information

Eligible Applicants

All entities subject to an Area Maritime Transportation Security Plan (AMSP), as defined by 46 U.S.C. § 70103(b), may apply for PSGP funding. Eligible applicants include, but are not limited to: port authorities, facility operators, and state and local government agencies.

Eligibility Criteria

Pursuant to the *Maritime Transportation Security Act of 2002,* as amended (MTSA), DHS established a risk-based grant program to support maritime security risk management. Funding is directed towards the implementation of AMSPs and Facility Security Plans (FSP) among port authorities, facility operators, and state and local government agencies that are required to provide port security services. In administering the grant program, national, economic, energy, and strategic defense concerns based upon the most current risk assessments available will be considered.

- **Port Area Definition**

A port area is a location on a coast, shore, or inland waterway containing one or more harbors where vessels can dock and transfer people or cargo to or from land. For the purpose of PSGP, the presence of Maritime Transportation Security Act (MTSA) regulated facilities are the primary consideration of harbors that defines the port area.

- **Ineligible Entities**

Applications for the purpose of providing a service, product, project, or investment justifications (IJ) on behalf of another entity such as sub-recipients or a consortia are ineligible for funding. Applications will only be accepted and considered for funding from direct recipients.

Only one (1) application per eligible entity within each Port Area is permitted. Each application may contain multiple IJs. An entity is a port authority, facility operator, state or local government agency required to provide port security services. An investment justification supports the funding of a proposed project. The location where the project is primarily implemented is considered the Port Area of the application. Applicants with facilities in multiple Port Areas may submit one (1) application per Port Area. Program funding is risk based by Port Area, no single application should include investment justifications for projects intended to be implemented in multiple Port Areas. For example, state entities that operate in multiple Port Areas within the state must submit separate applications to fund projects in each of these Port Areas.

Applicants may submit up to five (5) investment justifications within the single application. Eligibility does not guarantee grant funding.

As a condition of eligibility, all PSGP applicants are required to be fully compliant with relevant Maritime Security Regulations (33 C.F.R. Parts 101-106). Any applicant who, as of the grant application deadline, has an open or outstanding Notice of Violation (NOV), will not be considered for PSGP funding if:

1) the applicant has failed to pay the NOV within 45 days of receipt; or
2) the applicant has failed to decline the NOV within 45 days of receipt resulting in the Coast Guard entering a finding of default in accordance with 33 C.F.R. § 1.07-11[f][2]; or
3) the applicant has appealed the NOV pursuant to 33 C.F.R. § 1.07-70 and has received a final appeal decision from the Commandant, U.S. Coast Guard, as described in 33 C.F.R. § 1.07-75, and has failed to come into compliance with the terms of the final appeal decision within the timelines noted therein.

The local U.S. Coast Guard Captain of the Port (COTP) will verify security compliance eligibility during the field review process.

Ferry Systems
Ferry systems are eligible to apply for FY 2016 PSGP funds. However, any ferry system receiving funds under the FY 2016 PSGP will not be eligible to participate under the FY 2016 Transit Security Grant Program (TSGP). Likewise, any ferry system that participates in the TSGP will not be eligible for funding under the PSGP.

Other Eligibility Criteria:
National Incident Management System (NIMS) Implementation
Prior to allocation of any Federal preparedness awards in FY 2016, recipients must ensure and maintain adoption and implementation of NIMS.

Emergency management and incident response activities require carefully managed resources (personnel, teams, facilities, equipment and/or supplies) to meet incident needs.

Utilization of standardized resource management concepts such as typing, inventorying, and cataloging, promote strong national mutual aid capabilities that are needed to support the delivery of core capabilities. Additional information on resource management and NIMS Resource Typing definitions and job titles/position qualifications are available under FEMA's website under NIMS Resource Management.

FEMA developed NIMS Guideline for Credentialing of Personnel to describe national credentialing standards and to provide written guidance regarding the use of those standards. This guideline describes credentialing and typing processes, and identifies tools which Federal Emergency Response Officials (FERO) and emergency managers at all levels of government may use both routinely and to facilitate multi-jurisdictional coordinated responses.

Although state, local, tribal, territorial, and private sector partners—including nongovernmental organizations—are not required to credential their personnel in accordance with these guidelines; DHS/FEMA strongly encourages them to do so in order to leverage the Federal investment in the Federal Information Processing Standards (FIPS) 201 infrastructure and to facilitate interoperability for personnel deployed outside their home jurisdiction. Additional information is available at http://www.fema.gov/nims-doctrine-supporting-guides-tools.

Sub-Awards of PSGP Funding
The PSGP program provides direct funding to eligible applicants to support their specific needs regarding maritime security risk management. For this reason, applicants who are selected for funding under the PSGP program may not subaward funding to other entities.

Cost Share or Match
There is a cost share requirement for this program. The non-Federal share can be cash or in-kind, with the exception of construction activities, which must be a cash-match (hard).

All PSGP award recipients must provide a non-Federal match (cash or in-kind) supporting ***25 percent of the total of all project costs***. Cost share should be specifically identified for each proposed project. Cost match, whether cash or in-kind, has the same eligibility requirements as the Federal share (e.g. operational costs for routine patrol is ineligible; operational costs for overtime to conduct an approved exercise may be eligible as part of the investment justification).

For example, if the Federal award requires a **25 percent cost share** and the **total project cost is $100,000,** then:

- **Federal share** is 75 percent of $100,000 = **$75,000**
- **Recipient cost share** is 25 percent of $100,000 = **$25,000**

Exceptions to the cost match requirement may apply. Please see Appendix B – FY 2016 PSGP Funding Guidelines for details.

D. Application and Submission Information

Key Dates and Times

Date Posted to Grants.gov: February 16, 2016

Application Submission Deadline: April 25, 2016 at 11:59 PM EDT

All applications **must** be received by the established deadline. The Non-Disaster (ND) Grants System has a date stamp that indicates when an application is submitted. Applicants will receive an electronic message confirming receipt of the full application. In general, DHS/FEMA will not review applications that are not received by the deadline or consider them for funding. DHS/FEMA may, however, extend the application deadline on request for any applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant's control that prevent submission of the application by the deadline, or other exigent or emergency circumstances. Applicants experiencing technical issues, must notify the respective Headquarters (HQ) Program Analyst prior to the application deadline.

Anticipated Funding Selection Date: June 29, 2016

Anticipated Award Date: No later than September 30, 2016

Other Key Dates

The chart below outlines suggested/estimated deadlines for completing the five steps required for a successful application submission prior to the deadline. These dates are only recommendations as applicants are responsible for planning far enough in advance to complete their application. The requirements outlined in the chart below are outside of FEMA's purview. Therefore, FEMA does not guarantee the timeframes for completing those processes. Failure of an applicant to comply with any of the required steps before the deadline for submitting their application may disqualify their application from funding.

Applicants are encouraged to register early for Authorized Organizational Representative (AOR) authorization. The registration process can take four weeks or more to be completed. Therefore, registration should be done in sufficient time to ensure it does not impact the applicant's ability to meet required submission deadlines.

Event	Suggested Deadline for Completion
Obtain DUNS Number	March 18, 2016
Obtain valid Employer Identification Number (EIN)	March 18, 2016
Update SAM registration	March 18, 2016
Submit initial application in Grants.gov	April 15, 2016
Submit final application in ND Grants	April 25, 2016 (firm)

Address to Request Application Package
Application forms and instructions are available at Grants.gov. To access these materials, go to http://www.grants.gov , select "Applicants" then "Apply for Grants." In order to obtain the application package select "Download a Grant Application Package." Enter the CFDA and/or the funding opportunity number located on the cover of this NOFO, select "Download Package," and then follow the prompts to download the application package.

Applicants experiencing difficulties accessing information or who have any questions please call the Grants.gov customer support hotline at (800) 518-4726.

Hard copies of the FY 2016 PSGP NOFO are not available.

In addition, the Telephone Device for the Deaf (TDD) and/or Federal Information Relay Service (FIRS) number available for this Notice is (800) 462-7585.

Applications will be processed through the Grants.gov portal and FEMA's Non-Disaster Grants (ND Grants) System.

Content and Form of Application Submission
Applying for an award under this program is a multi-step process and requires time to complete. To ensure that an application is submitted on time applicants are advised to start the required steps well in advance of their submission. Please review the table above under "Submission Dates and Other Key Dates and Times" for estimated deadlines to complete each of the six steps listed below. Failure of an applicant to comply with any of the required steps before the deadline for submitting their application may disqualify their application from funding.

The steps involved in applying for an award under this program are:
1. Applying for, updating or verifying their DUNS Number;
2. Applying for, updating or verifying their EIN Number;
3. Updating or verifying their SAM Number;
4. Establishing an AOR in Grants.gov;
5. Submitting an initial application in Grants.gov; and
6. Submitting the complete application in ND Grants.

For additional information regarding the DUNS Number, EIN Number, SAM Number, and AOR requirements, please see the section below entitled Dun and Bradstreet Universal Numbering

System (DUNS) Number, System for Award Management (SAM), and Authorized Organizational Representative (AOR).

Unique Entity Identifier and System for Award Management (SAM)
Before applying for a DHS grant at grants.gov, applicants must have a DUNS number, be registered in SAM, and be approved as an AOR.

Applicants are encouraged to register early. The registration process can take four weeks or more to be completed. Therefore, registration should be done in sufficient time to ensure it does not impact the applicant's ability to meet required submission deadlines.

Data Universal Numbering System (DUNS) Number
The DUNS number must be included in the data entry field labeled "Organizational DUNS" on the SF-424 form. Instructions for obtaining a DUNS number can be found at the following website: http://www.grants.gov//web/grants/applicants/organization-registration/step-1-obtain-duns-number.html.

The applicant must provide a DUNS number with their application. This number is a required field for all subsequent steps in the application submission. Applicants should verify they have a DUNS number, or take the steps necessary to obtain one.

Applicants can receive a DUNS number at no cost by calling the DUNS number request line at (866) 705-5711. DHS/*FEMA cannot assist applicants with questions related to obtaining a current DUNS number*.

Obtain an Employer Identification Number (EIN)
DHS/FEMA requires both the EIN and a DUNS number prior to the issuance of a financial assistance award and for grant award payment; both the EIN and a DUNS number are required to register with SAM (see below). The EIN base for an organization is the Internal Revenue Service (IRS) Tax ID number; for individuals it is their social security number. The social security and IRS Tax ID numbers are both nine-digit numbers. Organizations and individuals submitting their applications must correctly identify the EIN from the DUNS since both are 9-digit numbers.

If these numbers are not correctly identified in the application, a delay in the issuance of the funding award and/or incorrect payment to a recipient organization may result.

Organizations applying for an EIN should plan on a minimum of two full weeks to obtain an EIN. For assistance registering an EIN, please contact the IRS helpline**.** *DHS/FEMA cannot assist applicants with questions related to obtaining a current EIN.*

System for Award Management (SAM)
Applicants applying for grant funds electronically through Grants.gov must register with the SAM. Step-by-step instructions for registering with SAM can be found here: http://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with-

sam.html. All applicants must register with SAM in order to apply online. Failure to register with the SAM will result in the application being rejected by Grants.gov during the submissions process.

Payment under any DHS/FEMA award is contingent on the recipient's having a current SAM registration. The SAM registration process must be completed by the applicant. It is imperative that the information provided by the applicant is correct and current. Please ensure that the organization's name, address, DUNS number and EIN are up to date in SAM and that the DUNS number used in SAM is the same one used to apply for all other DHS/FEMA awards.

SAM registration is a multi-step process including validating the EIN with the IRS to obtain a Commercial and Government Entity (CAGE) code. The CAGE code is only valid for one year after issuance and must be current at the time of application.

SAM sends notifications to the registered user via email 60, 30, and 15 days prior to expiration of the SAM registration for the Entity. SAM registration may lapse due to inactivity. To update or renew Entity records(s) in SAM, applicants will need to create a SAM User Account and link it to the migrated Entity records.

For assistance registering, please go to SAM or call 866-606-8220**.** *DHS/FEMA cannot assist applicants with questions related to registering in SAM or obtaining a current CAGE code.*

Authorized Organizational Representative (AOR)
The next step in the registration process is creating a username and password with Grants.gov to become an AOR. AORs will need to know the DUNS number of the organization for which they will be submitting applications to complete this process. Applicants must register the individual who is able to make legally binding commitments for the applicant organization as the AOR; this step is often missed and it is crucial for valid submissions. To read more detailed instructions for creating a profile on Grants.gov visit: http://www.grants.gov/web/grants/applicants/organization-registration/step-3-username-password.html.

AOR Authorization
After creating a profile on Grants.gov, the E-Biz Point of Contact (POC), who is a representative from the applicant organization listed as the contact for SAM, will receive an email to grant the AOR permission to submit applications on behalf of the organization. The E-Biz POC will then log in to Grants.gov and approve an individual as the AOR, thereby granting permission to submit applications. To learn more about AOR Authorization, visit: http://www.grants.gov/web/grants/applicants/organization-registration/step-4-aor-authorization.html. To track AOR status, visit: http://www.grants.gov/web/grants/applicants/organization-registration/step-5-track-aor-status.html.

Electronic Signature
Applications submitted through Grants.gov constitute a submission as electronically signed applications. When submitting the application through Grants.gov, the name of the applicant's AOR will be inserted into the signature line of the application.

Applicants experiencing difficulties accessing information or who have questions should call the grants.gov customer support hotline at (800) 518-4726 or email grants.gov at support@grants.gov.

The federal awarding agency may not make a federal award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, 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.

Submitting an Initial Application in Grants.gov
Applicants must submit their initial application through Grants.gov. Applicants may need to first create a Grants.gov user profile by visiting the Get Registered section of the Grants.gov website. Successful completion of this step is necessary for FEMA to determine eligibility of any applicant. Applicants should complete this initial step online which requires completing:

- Standard Form 424 (SF-424), Application for Federal Assistance, and
- Grants.gov (GG) Form Certification Regarding Lobbying Form.

Both forms are available in the Forms tab under the SF-424 Family. The initial application cannot be started or submitted in Grants.gov until the applicant's registration in SAM is confirmed.

Application forms and instructions are available at Grants.gov by selecting *Apply for Grants*. Enter the CFDA number or the Opportunity ID Number noted in this NOFO, select *Download Application Package*, and follow the prompts to download the application package. The information submitted in Grants.gov will be retrieved by ND Grants, which will allow FEMA to determine if an applicant is eligible. **Applicants are encouraged to submit their initial application in Grants.gov at least ten days before the April 25, 2016, application deadline.**

For assistance applying through Grants.gov, please go to the Grant Application page, contact support@grants.gov, or call 800-518-4726. DHS/*FEMA cannot assist with questions related to registering with Grants.gov.*

Submitting the Complete Application in Non-Disaster Grants System (ND Grants)
Eligible applicants will be notified by DHS/FEMA and asked to proceed with submitting their complete application package in ND Grants. Applicants can register early with ND Grants and are encouraged to begin their ND Grants registration at the time of this announcement. Early registration will allow applicants to have adequate time to start and complete their application.

In ND Grants, applicants will be prompted to submit all of the information contained in the following forms. Applicants should review these forms before applying to ensure they include all required information.

- Standard Form 424A, Budget Information (Non-construction);
- Standard Form 424B, Standard Assurances (Non-construction); and

- Standard Form LLL, Disclosure of Lobbying Activities (if the recipient has engaged or intends to engage in lobbying activities).

In addition applicants must submit copies of the following in ND Grants:

- Standard Form 424C, Budget Information (Construction);
- Standard Form 424D, Standard Assurances (Construction);
- Investment Justification(s);
- Detailed Budget Worksheet(s); and
- Indirect Cost Agreement, if applicable.

For assistance registering for the ND Grants system, please contact ndgrants@fema.gov or (800) 865-4076.

Intergovernmental Review

An intergovernmental review may be required. Applicants must contact their state's Single Point of Contact (SPOC) to comply with the state's process under Executive Order 12372 (see http://www.fws.gov/policy/library/rgeo12372.pdf). Name and addresses of the SPOCs are maintained at the Office of Management and Budget's home page at http://www.whitehouse.gov/omb/grants_spoc to ensure currency.

Funding Restrictions

Federal funds made available through this award may only be used for the purpose set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other Federal award, lobbying, or intervention in Federal regulatory or adjudicatory proceedings. In addition, Federal funds may not be used to sue the Federal government or any other government entity.

Additionally, pursuant to Executive Order 13688, DHS/FEMA has issued IB 407 which has placed further restrictions on controlled equipment. For more information on the Controlled Equipment List and Prohibited Equipment, see Appendix B: FY 2016 PSGP Funding Guidelines.

Environmental Planning and Historic Preservation (EHP) Compliance

As a Federal agency, DHS/FEMA is required to consider the effects of its actions on the environment and historic properties to ensure that all activities and programs funded by the agency, including grants-funded projects, comply with Federal EHP regulations, laws and Executive Orders as applicable. Recipients proposing projects that have the potential to impact the environment, including, but not limited to construction of communication towers, modification or renovation of existing buildings, structures and facilities, or new construction including replacement of facilities, must participate in the DHS/FEMA EHP review process. The EHP review process involves the submission of a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA also is required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the

proposed project. DHS/FEMA will not fund projects that are initiated without the required EHP review.

Additionally, all recipients are required to comply with FEMA EHP Policy Guidance. This EHP Policy Guidance can be found in FP 108-023-1, Environmental Planning and Historic Preservation Policy Guidance, and FP 108.24.4, Environmental Planning and Historical Preservation Policy

SAFECOM

Recipients who receive awards under the PSGP that wholly or partially provide funding for emergency communication projects and related activities must comply with the most recent version of the SAFECOM Guidance on Emergency Communications Grants. This guidance provides recommendations to recipients regarding interoperable emergency communications projects, including allowable costs, eligible activities, grants management best practices for emergency communications grants, and information on technical standards that ensure greater interoperability. The guidance is intended to ensure that Federally-funded investments are compatible, interoperable, and support the national goals and objectives for improving emergency communications nationwide. Recipients investing in broadband-related investments should review FEMA Grant Programs Directorate (GPD) Information Bulletin (IB) 386, titled "Clarification on Use of DHS/FEMA Public Safety Grant Funds for Broadband-Related Expenditures and Investments," and consult their DHS/FEMA HQ Program Analyst on such investments before developing applications.

Pre-Award Costs

Pre-award costs are allowable only with the prior written approval of FEMA and if they are included in the award agreement. To request pre-award costs, a written request must be included with the application. The request must be signed by the Authorized Representative of the entity. The letter must outline what the pre-award costs are for, including a detailed budget break-out of pre-award costs from the post-award costs, and a justification for approval.

Direct Costs

Cost Principles

Costs charged to this award must be consistent with the Cost Principles for Federal Awards located at 2 C.F.R. Part 200, Subpart E.

Planning

Planning related costs are allowed under this program only as described in this NOFO.

Organization

Organization costs are allowed under this program only as described in this NOFO.

Equipment

Equipment costs are allowed under this program only as described in this NOFO.

Training

Training related costs are allowed under this program only as described in this NOFO.

Exercise
Exercise related costs are allowed under this program only as described in this NOFO.

Travel
Domestic travel costs are allowed under this program as described in this NOFO. International travel is not an allowable cost under this program unless approved in advance by FEMA.

Construction and Renovation
Construction and renovation costs to achieve capability targets related to preventing, preparing for, protecting against, or responding to acts of terrorism are allowed under this program. For construction costs to be allowed, they must be specifically approved by FEMA in writing prior to the use of any program funds for construction or renovation. Limits on the total amount of grant funding that may be used for construction or renovation may apply. See Appendix B for additional details. Additionally, recipients are required to submit a SF-424C Budget and budget detail worksheet citing the project costs.

Operational Overtime
Operational Overtime costs are allowed under this program only as described in this NOFO.

Maintenance and Sustainment
Maintenance and Sustainment related costs, such as maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable as described in FEMA Policy FP 205-402-125-1 (http://www.fema.gov/media-library/assets/documents/32474).

For additional details on allowable costs under the PSGP, see Appendix B: FY 2016 PSGP Funding Guidelines.

Management and Administration (M&A) Costs
Management and Administration (M&A) costs are allowed. Recipients may use up to five percent (5%) of the amount of the award for their M&A. M&A activities are defined as those directly relating to the management and administration of PSGP funds, such as financial management and monitoring.

Indirect (Facilities and Administrative [F&A]) Costs
Indirect costs are allowable under this program as described in 2 C.F.R. § 200.414. With the exception of recipients who have never received a negotiated indirect cost rate as described in 2 C.F.R. § 200.414(f), recipients must have an approved indirect cost rate agreement with their cognizant Federal agency to charge indirect costs to this award. A copy of the approved rate (a fully executed, agreement negotiated with the applicant's cognizant Federal agency) is required

at the time of application, and must be provided to FEMA before indirect costs are charged to the award.

PSGP Specific Application Instructions

All applicants will submit their PSGP grant application, the associated IJs to include detailed budget worksheets including project milestones, and associated MOUs/MOAs as a file attachment in the ND Grants System prior to the application deadline date and time.

Investment Justification (IJ)

As part of the FY 2016 PSGP application process, applicants must develop a formal IJ that addresses each initiative being proposed for funding. A separate IJ should be submitted for each proposed project. Only one (1) application per eligible entity within each Port Area is permitted. Applicants with projects in multiple Port Areas should submit one (1) application per Port Area based on the implementation location of the proposed projects. No single application should include projects intended to be implemented in different ports. Applicants may submit up to five (5) IJs within the single application.

IJs must demonstrate how proposed projects address gaps and deficiencies in one or more of the core capabilities outlined in the Goal. The applicant must demonstrate within the IJ the ability to provide enhancements consistent with the purpose of the program and guidance provided by DHS/FEMA. PSGP projects must be: 1) both feasible and effective at reducing the risks for which the project was designed; and 2) able to be fully completed within the thirty-six (36) month period of performance. Applicants must ensure that the IJ is consistent with all applicable requirements outlined in Appendix C.

For the purposes of the PSGP application, the Port Area is selected based on the project location. Agencies that have multiple facilities in multiple port areas should apply for projects based on the facility where the project/asset will be implemented, housed/maintained, not the entity headquarters location. For entities submitting applications for a single project that span multiple Port Areas, such as one patrol vessel that may be deployed outside of the primary port area, the project location is considered to be the predominant location in which the project will be housed and maintained. Large projects that implement multiple components in multiple ports, such as state agency purchases of multiple patrol vessels for multiple ports, should be submitted as separate applications (i.e., State Police vessel project in Port #1 is one application; State Police vessel project in Port #2 is a separate application). All eligible and complete applications will be provided to the applicable COTP for further review.

Applicants will find an IJ Template in Appendix C – FY 2016 PSGP Investment Justification Template. This worksheet may be used as a guide to assist applicants in the preparation of the IJ.

Applicants must provide information in the following categories for each proposed investment:

A. Background
B. How the proposed investment supports strategic and program priorities
C. Impact
D. Funding/Implementation Plan

Applicants must use the following file naming convention when submitting required documents as part of the FY 2016 PSGP:

COTP Zone Abbreviation_Port Area_Name of Applicant_ IJ Number (Example: Hous_Galveston_XYZ Oil_IJ#1)

Detailed Budget
All applicants must provide detailed budget worksheets that include project milestones for the funds requested at the time of application. The detailed budget must be complete, reasonable, and cost-effective in relation to the proposed project and should provide the basis of computation of all project-related costs (including M&A) and any appropriate narrative.

The review panels must be able to thoroughly evaluate the projects being submitted based on the information provided. Applicants must ensure they provide an appropriate level of detail within the detailed budget worksheet to clarify intent as to what is being purchased. Applicants should also complete all budget questions (see Appendix D – FY 2016 PSGP Sample Budget Detail Worksheet). This worksheet may be used as a guide to assist applicants in the preparation of the budget and budget narrative.

Applications that do not include a narrative detailed budget will not be considered for funding. Detailed budgets often assist reviewers in determining what type of equipment or service is being purchased, which may assist in determining the effectiveness of a project. Additionally, the detailed budget must demonstrate the required cost share, either cash or in-kind. Applications failing to demonstrate the required cost share will not be considered for funding.

The detailed budget must demonstrate the required cost share, either cash or in-kind. Applications failing to demonstrate the required cost share will not be considered for funding. Cash and in-kind matches must consist of eligible costs (i.e., same allowability as the federal share) and must be identified as part of the submitted detailed budget worksheet. A cash-match includes cash spent for project-related costs while an in-kind match includes the valuation of in-kind services. The cost match requirement for the PSGP award may not be met by costs borne by another federal grant or assistance program. **Likewise, in-kind matches used to meet the matching requirement for the PSGP award may not be used to meet matching requirements for any other Federal grant program.** Please see 2 CFR § 200.306, as applicable, for further guidance regarding cost matching.

Memorandum of Understanding/Memorandum of Agreement (MOU/MOA) Requirement

State and local agencies are eligible applicants and are not required to provide a MOU or MOA if the direct security provider, along with their assets and resources, are listed in the respective AMSP and confirmed by the COTP. If a security services provider is providing these services directly to a MTSA-regulated facility and does not have an existing agreement addressed in the regulated entities' security plans, a copy of a signed MOU/MOA with the identified regulated entities will be required prior to funding, and must include an acknowledgement of the security services and roles and responsibilities of all entities involved. This information may be provided using one of the attachment fields within ND Grants.

The MOU/MOA must address the following points:

- The nature of the security service that the applicant agrees to supply to the regulated facility (waterside surveillance, increased screening, etc.);
- The roles and responsibilities of the facility and the applicant during different Maritime Security (MARSEC) levels;
- An acknowledgement by the facility that the applicant is part of their facility security plan; and
- Acknowledgment that the applicant will provide semi-annual progress reports on project status to the local applicable AMSC and/or COTP.

If applicable, the signed MOU/MOA for state or local law enforcement agencies providing direct security services to regulated entities must be submitted with the grant application as a file attachment within ND Grants (https://portal.fema.gov). A sample MOU/MOA can be found in Appendix E – FY 2016 PSGP Sample MOU/MOA Template.

Applicants must use the following file naming convention for FY 2016 MOUs and MOAs:

COTP Zone Abbreviation_Port Area_Name of Applicant_MOU
(Example: Hous_Galveston_Harris County_MOU)

Sensitive Security Information (SSI) Requirements

A portion of the information routinely submitted in the course of applying for funding or reporting under certain programs or provided in the course of an entity's grant management activities under those programs which is under Federal control is subjected to protection under SSI, and must be properly identified and marked. SSI is a control designation used by DHS/FEMA to protect transportation security related information. It is applied to information about security programs, vulnerability and threat assessments, screening processes, technical specifications of certain screening equipment and objects used to test screening equipment, and equipment used for communicating security information relating to air, land, or maritime transportation. Further information can be

located in Title 49, Part 1520, Section 7 of the Code of Federal Regulations (49 C.F.R. § 1520.7).

For the purposes of the PSGP, and due to the high-frequency of SSI found in IJs, all IJs shall be considered SSI and treated as such until they have been subject to review for SSI by DHS/FEMA. This means that applicants shall label documents as SSI in accordance with 49 C.F.R. § 1520.13.

The subject line of the email should identify:

- Applicant name
- Application number

The body of the e-mail should clearly identify:

- Applicant name
- IJ number and/or summary description
- COTP area
- POC information

E. Application Review Information

Application Evaluation Criteria

Prior to making a Federal award, the Federal awarding agency is required by 31 U.S.C. § 3321 and 41 U.S.C. § 2313 to review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information. Therefore application evaluation criteria may include the following risk based considerations of the applicant: (1) financial stability; (2) quality of management systems and ability to meet management standards; (3) history of performance in managing federal award; (4) reports and findings from audits; and (5) ability to effectively implement statutory, regulatory, or other requirements.

FY 2016 PSGP applications will be evaluated through a three-part review and selection process. There are four core PSGP criteria applied throughout the process including:

1. Projects that support development and sustainment of the core capabilities in the Goal and align to PSGP funding priorities identified in Appendix A – FY 2016 PSGP Program Priorities.
   - PSGP Priorities are ranked and weighted based on alignment with Core Capabilities (CC) across the five mission areas of the Goal. Each IJ should be given a score based on how well it addresses each of the PSGP Priorities. The following scale point shall be used: 0=None; 1=Minimal; 3=Moderate; 9-Significant/Gap Filled.

2. Projects that address priorities outlined in the applicable AMSP, FSP, and Vessel Security Plan (VSP), as mandated under the MTSA or the Port-Wide Risk Mitigation Plans (PRMP).

- AMSP Priorities are the top three Transportation Security Incidents (TSI) (46 USC Sec 70101(6) ranked and correspondingly weighted. Each IJ should be given a score (using same scale as National Priorities module) based on how well it addresses one or more TSI within the context of the five mission areas of the Goal: Prevention, Protection, Mitigation, Response, and Recovery. The following scale shall be used: 0=None; 1=Minimal; 3=Moderate; 9-Significant/Gap Filled.

3. Projects that address additional maritime security priorities based on the COTP's expertise and experience of the COTP within the specific Port Area.
   - The final COTP rankings should mirror the composite score ranking; however, there may be unique circumstances where the COTP may override the composite rankings by ranking a project higher or lower on the composite ranking. This should be a rare exception and may be a cause for increased scrutiny. Such overrides should be carefully documented in the COTP recommendations.

4. Projects that are eligible and feasible based on the priorities of the program, outlined in applicable AMSPs, FSPs, VSPs, or PRMP and available period of performance. In addition, a recipient's past performance demonstrating competent stewardship of Federal funds may influence funding decisions.
   - Investment justifications should justify the scope, breadth, and cost of a project, as well as a timeline for completing the project as required within this NOFO. Projects failing to demonstrate these minimum funding considerations may result in being denied funding. The following scale shall be used: 0=No Funding Recommended; 1=Funding Recommended

Review and Selection Process

During the initial screening and field review applications are evaluated for eligibility, completeness, adherence to programmatic guidelines, and the anticipated effectiveness of investments being proposed. Following the field review, a National Review Panel (NRP) will identify a ranked list of eligible projects.

Grant projects must be: 1) both feasible and effective at reducing the risks for which the project was designed; and 2) able to be fully completed within the thirty-six (36) month period of performance.

FEMA will use the information provided in the application, as well as any supporting documentation, to determine the feasibility and effectiveness of the grant project. Information that would assist in the feasibility and effectiveness determination includes the following:

- Scope of work (purpose and objectives of the project, identification of what is being protected)
- Desired outcomes, including expected long-term impact where applicable
- Summary of status of planning and design accomplished to date (e.g. included in a capital improvement plan)
- Project schedule
- The PSGP Specific Priorities (weighted equally) found in Appendix A.

Recipients are expected to conform, as applicable, with accepted engineering practices, established codes, standards, modeling techniques, and best practices.

Prior to making a Federal award with a total amount of Federal share greater than the simplified acquisition threshold, DHS/FEMA 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).

An applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM.

DHS will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, 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 as described in 2 CFR §200.205 Federal awarding agency review of risk posed by applicants.

i. Initial Screening

FEMA will conduct an initial review of all FY 2016 PSGP applications to verify applicant eligibility and to ensure each application is complete. All eligible and complete applications will be provided to the applicable COTP for further review.

FEMA staff will review the following during initial screening:

- Initial application was submitted into Grants.gov
- Application is submitted into ND Grants
- Applicant is associated with an organization within ND Grants
- Applicant has submitted all required assurances and standard forms
- Application includes an Investment Justification
- Application includes a detailed budget worksheet
- Application labeled as SSI

Incomplete applications will not be processed for further review and will not be considered for funding.

ii. Field Review

Field reviews will be managed by the applicable COTP in coordination with the Gateway Directors of the U.S. Department of Transportation's (DOT) Maritime Administration (MARAD) and appropriate personnel from the AMSC or AMSC Regional Subcommittee where established, to include owner/operators of MTSA regulated facilities and vessels, as well as Federal, state, and local agencies, as identified by the COTP.

AMSC members representing state and local agencies should coordinate the field review results with the applicable State Administrative Agency (SAA) and State Homeland Security Advisor

(HSA) to support coordination and regionalization of proposed maritime security projects with the state and urban area homeland security strategies, as well as other state and local security plans. Although coordination with the SAA is not required during the field review, periodic coordination throughout the year is encouraged.

Field reviews for all ports occur immediately following the initial screening by FEMA. Each project is scored for compliance with Application Review Criteria outlined above. The project scores help determine project rank within each port area. In addition, the COTP/MARAD will provide a prioritized list of maritime security projects recommended for funding within each Port Area based on the scoring results. See Appendix A – FY 2016 PSGP Program Priorities and Appendix B – FY 2016 PSGP Funding Guidelines for additional details.

After completing field reviews, COTPs will submit the project scores, associated comments, and prioritized lists to DHS/FEMA in advance of the national review panel process.

iii. Application Selection Process

Following the COTP field review, a NRP, comprised of subject matter experts drawn from DHS and DOT components, will convene and conduct a national review.

The purpose of the NRP is to identify a final, prioritized list of eligible projects for funding. The NRP will conduct an initial review of the prioritized project listings for each Port Area submitted by the USCG COTPs to ensure that the proposed projects will accomplish intended risk mitigation goals. The NRP will validate the COTP Field Review's Project Priority List and provide a master list of prioritized projects by Port Area.

The NRP will score projects based on the criteria addressing PSGP priorities. When appropriate, the NRP may normalize nationwide scoring of certain project types based on details of common projects. For example, a CBRNE Vessel project may receive a score of "1" by one COTP and the same project scored a "9" by another COTP; the NRP may normalize both projects with a criteria score of "3" for the National Review. Project details demonstrating varying levels of capability may increase or decrease the score of the project addressing the PSGP priorities. The NRP may score a project "0" if the project addresses PSGP priorities but is not recommended for funding by the COTP or may recommend not funding due to a deficient detailed budget and projects that appear to provide minimal support of PSGP priorities.

The NRP will have the ability to recommend partial funding for individual projects and eliminate others that are determined to be duplicative or require a sustained Federal commitment to fully realize the intended risk mitigation. The NRP will also validate proposed project costs. Decisions to reduce requested funding amounts or eliminate requested items deemed inappropriate under the scope of the FY 2016 PSGP will take into consideration the ability of the revised project to address the intended national port security priorities and achieve the intended risk mitigation goal. Historically, PSGP has placed a high priority on providing full project funding rather than partial funding.

Independent of the field and NRP reviews, a risk score will be calculated for each Port Area submitting an application. As required by the *Homeland Security Act of 2002*, as amended, a Port Area risk score will be calculated on the "relative threat, vulnerability, and consequences from acts of terrorism." The DHS/FEMA risk methodology is focused on three elements:

- *Threat* – likelihood of an attack being attempted by an adversary;
- *Vulnerability* – likelihood that an attack is successful, given that it is attempted; and
- *Consequence* – effect of an event, incident or occurrence.

The risk methodology determines the relative risk of terrorism faced by a given area taking into account the potential risk of terrorism to people, critical infrastructure, economic security, and national security missions. The analysis includes threats from domestic violent extremists, international terrorist groups, and individuals inspired by terrorists abroad.

A risk and effectiveness prioritization will then be applied to the NRP's recommended list for each Port Area. This analysis considers the following factors to produce a comprehensive national priority ranking of port security proposals:

- Relationship of the project to one or more of the national port security priorities (all priorities are of equal weight);
- Relationship of the project to the local port security priorities;
- COTP ranking (based on each COTP's prioritized list of projects and associated recommendations);
- Risk level of the Port Area in which the project would be located (based on the comprehensive the DHS/FEMA risk methodology); and
- Effectiveness and feasibility of project to be completed in support of above priorities during the period of performance.

The NRP will be asked to validate and submit their funding recommendations to DHS/FEMA.

DHS/FEMA will use the final results of its analysis to make funding recommendations to the Secretary of Homeland Security. All final funding determinations will be made by the Secretary of Homeland Security, who retains the discretion to consider other factors and information in addition to DHS/FEMA's funding recommendations.

F. Federal Award Administration Information

Notice of Award

Notification of award approval is made through the ND Grants system through an automatic e-mail to the awardee point of contact (the "authorized official") listed in the initial application. The "award date" for PSGP will be the date that DHS/FEMA approves the award. The awardee should follow the directions in the notification to confirm acceptance of the award.

Recipients must accept their awards no later than 90 days from the award date. The recipient shall notify the awarding agency of its intent to accept and proceed with work under the award

through the ND Grants system. For instructions on how to accept or decline and award in the ND Grants system, please refer to the ND Grants Grantee Training Manual.

Funds will remain on hold until the recipient accepts the award through the ND Grants system and all other conditions of award have been satisfied, or the award is otherwise rescinded. Failure to accept the grant award within the 90 day timeframe may result in a loss of funds.

Administrative and National Policy Requirements
All successful applicants for all DHS/FEMA grant and cooperative agreements are required to comply with DHS Standard Administrative Terms and Conditions, which are available online at: DHS Standard Terms and Conditions.

The applicable DHS Standard Administrative Terms and Conditions will be those in effect at the time in which the award was made.

Before accepting the award the authorized official should carefully read the award package. The award package contains instructions on administering the grant award, as well as terms and conditions with which the recipient must comply. Recipients must accept all the conditions in this NOFO as well as any Special Terms and Conditions in the Notice of Award to receive an award under this program.

Reporting
Recipients are required to submit various financial and programmatic reports as a condition of their award acceptance. Future awards and funds drawdown may be withheld if these reports are delinquent.

Federal Financial Reporting Requirements

Federal Financial Report (FFR)
Recipients must report obligations and expenditures ported on a quarterly basis through the FFR (SF-425) to FEMA. Recipients must file the FFR electronically using the Payment and Reporting System (PARS). A FFR must be submitted quarterly throughout the period of performance, including partial calendar quarters, as well as for periods where no grant award activity occurs. Future awards and fund drawdowns may be withheld if these reports are delinquent, demonstrate lack of progress, or are insufficient in detail.

Recipients may review the Federal Financial Reporting Form (FFR) (SF-425) here: https://www.whitehouse.gov/sites/default/files/omb/grants/approved_forms/SF-425.pdf, SF-425 *OMB #00348-0061*.

Financial Reporting Periods and Due Dates
The following reporting periods and due dates apply for the FFR:

Reporting Period	Report Due Date
October 1 – December 31	January 30

Reporting Period	Report Due Date
January 1 – March 31	April 30
April 1 – June 30	July 30
July 1 – September 30	October 30

Financial and Compliance Audit Report

For audits of fiscal years beginning on or after December 26, 2014, recipients that expend $750,000 or more from all Federal funding sources during their fiscal year are required to submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with the requirements of U.S. Government Accountability Office's (GAO) Government Auditing Standards, located at http://www.gao.gov/govaud/ybk01.htm, and the requirements of Subpart F of 2 C.F.R. Part 200, located at http://www.ecfr.gov/cgi-bin/text-idx?SID=876f827f6fae2c4bce610e9427a6d229&node=sp2.1.200.f&rgn=div6.

For audits of fiscal years beginning prior to December 26, 2014, recipients that expend $500,000 or more from all Federal funding sources during their fiscal year are required to submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with GAO's Government Auditing Standards, located at http://www.gao.gov/govaud/ybk01.htm, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, located at http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2012.

Program Performance Reporting Requirements

Performance Progress Reports (SF-PPR)

Recipients are responsible for providing updated performance reports using the SF-PPR on a biannual basis. Recipients must submit the cover page of the SF-PPR as an attachment in the ND Grants system. The SF-PPR can be accessed online at http://www.na.fs.fed.us/fap/SF-PPR_Cover%20Sheet.pdf.

The SF-PPR should document accomplishments as they relate to the approved investment justification(s), milestones achieved, overall project status, and any potential issues that may affect project completion.

Program Performance Reporting Periods and Due Dates

The following reporting periods and due dates apply for the PPR:

Reporting Period	Report Due Date
January 1 – June 30	July 30
July 1 – December 31	January 30

Closeout Reporting Requirements

DHS/FEMA will close out the grant award when it determines that all applicable administrative actions and all required work of the PSGP award have been completed by the recipient. This section summarizes the actions that the recipient must take to complete the closeout process in

accordance with 2 C.F.R. § 200.343 at the end of the grant's period of performance or the issuance of a Grant Amendment Notice issued to close out the grant.

Within 90 days after the end of the period of performance, or after an amendment has been issued to close out a grant, whichever comes first, recipients must submit a final FFR and final progress report detailing all accomplishments and a qualitative summary of the impact of those accomplishments throughout the period of performance, as well as the following documentation:

1) Final request for payment, if applicable;
2) SF-425 –Final FFR;
3) SF-PPR – Final Performance Progress Report detailing project accomplishments throughout the period of performance with ties back to the original gaps laid out in the investment justification(s);
4) A qualitative summary of the impact of accomplishments throughout the entire period of performance. The summary is submitted to the respective FEMA HQ Program Analyst in a Word document; and
5) Other documents required by program guidance or terms and conditions of the award.

If applicable, an inventory of all construction projects that used funds from this program has to be reported using the Real Property Status Report (Standard Form SF 429) available at http://www.whitehouse.gov/sites/default/files/omb/grants/approved_forms/sf-429.pdf.

Additionally, the recipient must liquidate all obligations incurred under the PSGP award no later than 90 calendar days after the end date of the period of performance or issuance of a Grant Amendment Notice that closes out the award, whichever comes first. Recipients who do not liquidate their obligations within this time period may have the costs of their unliquidated obligations disallowed. Recipients are also responsible for promptly returning to DHS/FEMA the balance of any funds that have been drawn down, but remain unliquidated.

After these reports have been reviewed and approved by DHS/FEMA, a close-out notice will be completed to close out the grant. The notice will indicate the period of performance as closed, list any remaining funds the recipient has not drawn down that will be deobligated, and address requirements for record retention, and disposition and reporting requirements for any equipment or real property purchased using PSGP grant funding.

If DHS/FEMA has made reasonable attempts through multiple contacts to close out awards within the required 180 days, DHS/FEMA may waive the requirement for a particular report and administratively close the award. If this action is taken, consideration for subsequent awards to the recipient may be impacted or restricted.

G. DHS Awarding Agency Contact Information

Contact and Resource Information

Centralized Scheduling and Information Desk (CSID)

CSID is a non-emergency comprehensive management and information resource developed by DHS/FEMA for grant stakeholders. CSID provides general information on all FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the Federal, state, and local levels. When necessary, recipients will be directed to a Federal point of contact who can answer specific programmatic questions or concerns. CSID can be reached by phone at (800)368-6498 or by e-mail at askcsid@dhs.gov, Monday through Friday, 9:00 a.m. – 5:00 p.m. EST.

GPD Grant Operations Division
GPD's Grant Operations Division Business Office provides support regarding financial matters and budgetary technical assistance. Additional guidance and information can be obtained by contacting the FEMA Call Center at (866) 927-5646 or via e-mail to ASK-GMD@dhs.gov.

FEMA Regions
FEMA Regions may also provide fiscal support, including pre- and post-award administration and technical assistance such as conducting cash analysis, financial monitoring, and audit resolution to the grant programs included in this solicitation. GPD will provide programmatic support and technical assistance. A list of contacts in FEMA Regions is available online.

Systems Information
Grants.gov. For technical assistance with Grants.gov, please call the customer support hotline at (800)518-4726.

Non-Disaster (ND) Grants. For technical assistance with the ND Grants system, please contact ndgrants@fema.gov or (800)865-4076.

GPD Environmental Planning and Historic Preservation (GPD EHP)
The FEMA GPD EHP Team provides guidance and information about the EHP review process to recipients. All inquiries and communications about GPD projects or the EHP review process, including the submittal of EHP review materials, should be sent to gpdehpinfo@fema.gov. EHP Technical Assistance, the EHP Screening Form, can be found at http://www.fema.gov/media-library-data/20130726-1806-25045-2839/gpd_ehp_screening_form_omb_1660_0115_june_2011.pdf.

H. Additional Information

National Preparedness
DHS/FEMA coordinates with local, state, tribal, and territorial governments as well as the private and non-profit sectors to facilitate a whole community, risk driven, and capabilities-based approach to preparedness. This approach is grounded in the identification and assessment of risk through the Threat and Hazard Identification and Risk Assessment (THIRA). For additional information on THIRA, please refer to the following website: http://www.fema.gov/threat-and-hazard-identification-and-risk-assessment. PSGP stakeholders are encouraged to participate in

the THIRA process by coordinating with the appropriate State Administrative Agency (SAA) or Urban Area Working Group. Information on the National Preparedness System can be found in the National Preparedness System Description at http://www.fema.gov/national-preparedness-system. Additional details regarding the National Preparedness System and how it is supported by the PSGP can be found in Appendix A – FY 2016 PSGP Program Priorities.

Port-Wide Risk Management Plans (PRMPs)
Port Areas with existing PRMPs are encouraged to maintain their PRMPs and to use them to identify projects that will serve to address remaining maritime security vulnerabilities. These ports are also highly encouraged to develop or maintain a Business Continuity/Resumption of Trade Plan (BCRTP). For purposes of regional strategic and tactical planning, these plans must take into consideration all Port Areas covered by their AMSP.

The PRMP and BCRTP must align with and support the Port Areas' AMSP, considering the entire port system strategically as a whole, and will identify a series of actions designed to effectively mitigate security risks associated with the system's maritime critical infrastructure and key resources. See "Port Resiliency and Recovery" in Appendix A – FY 2016 PSGP Program Priorities for more information on planning.

Strengthening Governance Integration
DHS/FEMA preparedness grant programs are intended to build and sustain an integrated network of national capabilities across all levels of government and the whole community. With declining Federal funds available to support these capabilities, disparate governance structures must be integrated and refined to ensure resources are targeted to support the most critical needs of a community based on risk driven, capabilities-based planning. Strong and inclusive governance systems better ensure that disparate funding streams are coordinated and applied for maximum impact. Eligible port entities are encouraged to actively participate with the surrounding Urban Area Working Groups (UAWG), applicable Regional Transit Security Working Groups, and other established ad hoc security working groups in addition to their AMSC meetings.

DHS/FEMA requires that all governance processes that guide the allocation of preparedness grant funds adhere to the following guiding principles:

- *Coordination of Investments* – resources must be allocated to address the most critical capability needs.
- *Transparency* – stakeholders must be provided visibility on how preparedness grant funds are allocated and distributed, and for what purpose.
- *Substantive Local Involvement* – the tools and processes that are used to inform the critical priorities, which DHS/FEMA grants support must include local government representatives. At the state and regional levels, local risk assessments must be included in the overarching analysis to ensure that the threats and hazards of primary concern to the jurisdiction are accounted for.
- *Flexibility with Accountability* – recognition of unique preparedness gaps at the local level, as well as maintaining and sustaining existing capabilities.

- *Support of Regional Coordination* – recognition of inter/intra-state partnerships and dependencies at the state and regional levels, and within metropolitan areas.

Payment
DHS/FEMA utilizes the FEMA PARS for financial reporting, invoicing and tracking payments.

DHS/FEMA uses the Direct Deposit/Electronic Funds Transfer (DD/EFT) method of payment to recipients. To enroll in the DD/EFT, the recipients must complete a Standard Form 1199A, Direct Deposit Form.

Monitoring
Recipients will be monitored on an annual and as needed basis by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met.

Monitoring may be accomplished through either a desk-based review or on-site monitoring visits, or both. DHS/FEMA will inform the USCG Captain of the Port of any grant monitoring site visits. Monitoring will involve the review and analysis of the financial, programmatic, performance, compliance and administrative processes, policies, activities, and other attributes of each Federal assistance award and will identify areas where technical assistance, corrective actions and other support may be needed.

Conflict of Interest
To eliminate and reduce the impact of conflicts of interest in the subaward process, recipients and pass-through entities must follow their own policies and procedures regarding the elimination or reduction of conflicts of interest when making subawards. Recipients and pass-through entities also are required to follow any applicable state, local, or tribal statutes or regulations governing conflicts of interest in the making of subawards.

The recipient or pass-through entity must disclose to FEMA, in writing, any real or potential conflict of interest as defined by the federal, state, local, or tribal statutes or regulations or their own existing policies that may arise during the administration of the federal award. Recipients and must disclose any real or potential conflicts to their Program Analyst within five days of learning of the conflict of interest.

Conflicts of interest may arise during the process of FEMA making a Federal award in situations where an employee, officer, or agent, any members of his or her immediate family, his or her partner has a close personal relationship, a business relationship, or a professional relationship, with an applicant, recipient, or FEMA employees.

Extensions
Extensions to this program are allowed. Extensions to the initial period of performance identified in the award will only be considered through formal, written requests to the recipient's respective Program Analyst and must contain specific and compelling justifications as to why an extension is required. All extension requests must address the following:

1) Grant program, fiscal year, and award number;

2) Reason for delay – this must include details of the legal, policy, or operational challenges being experienced that prevent the final outlay of awarded funds by the applicable deadline;
3) Current status of the activity/activities;
4) Approved period of performance termination date and new project completion date;
5) Amount of funds drawn down to date;
6) Remaining available funds, both Federal and non-federal;
7) Budget outlining how remaining Federal and non-federal funds will be expended;
8) Plan for completion, including milestones and timeframes for achieving each milestone and the position/person responsible for implementing the plan for completion; and
9) Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work, as described in the investment justification and approved by DHS/FEMA.

Extension requests will be granted only due to compelling legal, policy, or operational challenges. Extension requests will only be considered for the following reasons:

- Contractual commitments by the grant recipient with vendors or sub-recipients prevent completion of the project within the existing period of performance;
- The project must undergo a complex environmental review that cannot be completed within this timeframe;
- Projects are long-term by design and therefore acceleration would compromise core programmatic goals; and
- Where other special circumstances exist.

Recipients must submit all proposed extension requests to DHS/FEMA for review and approval no later than 120 days prior to the end of the period of performance. In accordance with GPD policy, extensions are typically granted for no more than a six month time period.

Appendix A – FY 2016 PSGP Program Priorities

Alignment of PSGP to the National Preparedness System
The Nation utilizes the National Preparedness System to build, sustain, and deliver core capabilities in order to achieve the National Preparedness Goal (the Goal). The Goal is "a secure and resilient Nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk." The core capabilities, outlined in the National Preparedness Goal, are essential for the execution of critical tasks in the National Planning Frameworks for the Prevention, Protection, Mitigation, Response, and Recovery mission areas outlined in the Goal. The objective of the National Preparedness System is to facilitate an integrated, whole community, risk informed, and capabilities-based approach to preparedness. The guidance, programs, processes, and systems that support each component of the National Preparedness System enable a collaborative, whole community approach to national preparedness that engages individuals, families, communities, private and nonprofit sectors, faith-based organizations, and all levels of government (http://www.fema.gov/whole-community).

Delivering core capabilities requires the combined effort of the whole community, rather than the exclusive effort of any single organization or level of government. PSGP's allowable costs support efforts to build and sustain core capabilities across the five mission areas.

To support building, sustaining, and delivering these core capabilities recipients will use the components of the National Preparedness System. The components of the National Preparedness System are: Identifying and Assessing Risk; Estimating Capability Requirements; Building and Sustaining Capabilities; Planning to Deliver Capabilities; Validating Capabilities; and Reviewing and Updating. For more information on each component, read the National Preparedness System Description available at http://www.fema.gov/national-preparedness-system.

Sustaining PSGP Capabilities
PSGP recipients should ensure that grant funding is utilized to sustain core capabilities within the Goal that were funded by past PSGP funding cycles. New capabilities should not be built at the expense of maintaining current, essential capabilities. However, if funding for new capabilities is being sought, recipients must ensure that the capabilities have a clear linkage to one or more core capabilities in the Goal.

Overarching Funding Priorities
The funding priorities for the PSGP reflect the Department's overall investment strategy, in which two priorities have been paramount: risk-informed funding and regional security cooperation.

DHS/FEMA places a high priority on ensuring that all PSGP applications reflect robust regional coordination and an investment strategy that institutionalizes and integrates a regional maritime security risk mitigation strategy. This priority is a core component in the department's statewide grant programs and complements the goals of the Urban Area Security Initiative (UASI) grant program.

PSGP will continue to fund those eligible projects that close or mitigate maritime security risk vulnerabilities gaps as identified in the AMSP, FSP, VSP, and Alternative Security Programs. These projects will enhance business continuity and resumption of trade. ***Applicants are reminded of the thirty-six (36) month period of performance and should consider project completion time needed prior to submitting applications.***

PSGP Specific Priorities

In addition to these two overarching priorities, the Department has identified the following six (6) priorities as its selection criteria for all PSGP applicants. These priorities also align to the five (5) mission areas and the associated core capabilities of the Goal. See Appendix B – FY 2016 PSGP Funding Guidelines for more information on funding requirements of each priority.

1. **Enhancing Maritime Domain Awareness (MDA).** Port Areas should seek to enhance their MDA through projects that address knowledge capabilities within the maritime domain. This effort could include access control/standardized credentialing, command and control, interoperable communications, and enhanced intelligence sharing and analysis. This effort may also include construction or infrastructure improvement projects to close maritime security risk vulnerabilities that are identified in the AMSPs, FSPs, and/or VSPs. Construction and enhancement of Interagency Operations Centers (IOCs) for port security should be considered a priority for promoting MDA and unity of effort.

2. **Port Resilience and Recovery Capabilities.**
   One of the core missions of Homeland Security, as outlined in the Quadrennial Homeland Security Review (QHSR) Report, is "strengthen national preparedness and resilience." A major goal in support of this mission is to "enhance national preparedness" (Goal 5.1) and "enable rapid recovery" (Goal 5.4). A main objective of this goal is to sustain critical capabilities and restore essential services in a timely manner. PSGP funds are intended to assist "risk owners" in addressing maritime security vulnerabilities.

3. **Training and Exercises.**
   Port Areas should assess their training and qualification requirements, coordinate training needs and qualification requirements of incident response personnel, and regularly test these capabilities through emergency exercises and drills. Exercises must follow the Area Maritime Security Training Exercise Program (AMSTEP) or the Transportation Security Administration (TSA) Intermodal Security Training Exercise Program (I-STEP) guidelines that test operational protocols that would be implemented in the event of a terrorist attack. AMSTEP or I-STEP exercises will follow the latest change in requirements contained in the Navigation and Inspection Circular (NVIC) 09-02. Exercises should be consistent with the Homeland Security Exercise Evaluation Program (HSEEP).

   The National Exercise Program (NEP) is critical to our Nation's ability to test and validate core capabilities. To this end, grant recipients are highly encouraged to nominate exercises into the NEP. For additional information on the NEP, please refer to http://www.fema.gov/national-exercise-program.

4. **Improving Cybersecurity Capabilities**
When requesting funds for cybersecurity, applicants are encouraged to propose projects that would aid in implementation of all or part of the Framework for Improving Critical Infrastructure Cybersecurity ("The Framework") developed by the National Institute of Standards and Technology (NIST). The Framework gathers existing international standards and practices to help organizations understand, communicate, and manage their cyber risks. For organizations that do not know where to start with developing a cybersecurity program, the Framework provides initial guidance. For organizations with more advanced practices, the Framework offers a way to improve their programs, such as better communication with their leadership and suppliers about management of cyber risks.

The Department of Homeland Security's Critical Infrastructure Cyber Community C³ Voluntary Program also provides resources to critical infrastructure owners and operators to assist in adoption of the Framework and managing cyber risks. Additional information on the Critical Infrastructure Cyber Community C³ Voluntary Program can be found at www.dhs.gov/ccubedvp.

The Department of Homeland Security's Enhanced Cybersecurity Services (ECS) program is an example of a resource that assists in protecting U.S.-based public and private entities and combines key elements of capabilities under the "Detect" and "Protect" functions to deliver an impactful solution relative to the outcomes of the Cybersecurity Framework. Specifically, ECS offers intrusion prevention and analysis services that help U.S.-based companies and state, local, tribal, and territorial governments defend their computer systems against unauthorized access, exploitation, and data exfiltration. ECS works by sourcing timely, actionable cyber threat indicators from sensitive and classified Government Furnished Information (GFI). DHS then shares those indicators with accredited Commercial Service Providers (CSPs). Those CSPs in turn use the indicators to block certain types of malicious traffic from entering a company's networks. Groups interested in subscribing to ECS must contract directly with a CSP in order to receive services. Please visit http://www.dhs.gov/enhanced-cybersecurity-servicesfor a current list of ECS CSP points of contact.

5. **Enhancing IED and CBRNE Prevention, Protection, Response and Supporting Recovery Capabilities.** Port Areas should continue to enhance their capabilities to prevent, detect, respond to and recover from terrorist attacks employing IEDs, CBRNE devices, and other non-conventional weapons. Please refer to the DHS Small Vessel Security Strategy April 2008 document, available at http://www.dhs.gov/files/publications/gc_1209408805402.shtm.

6. **Equipment Associated with Transportation Worker Identification Credential (TWIC) Implementation.** TWIC is a Congressionally-mandated security program through which DHS will conduct appropriate background investigations and issue biometrically enabled and secure identification cards for individuals requiring unescorted access to U.S. port facilities. See FEMA GPD IB 343, titled "Interim Guidance for Ports, Facilities and Vessels on Transportation Worker Identification Credential (TWIC) Projects Funded through the Port Security Grant Program (PSGP) and the Transit Security Grant Program (TSGP),"

(https://www.fema.gov/pdf/government/grant/bulletins/info343.pdf) for further information on the TWIC program and guidance for executing PSGP-funded TWIC projects. Infrastructure and installation projects that support TWIC implementation (e.g., cabling, Information Technology [IT], limited construction) is allowable.

PSGP DHS Program Management: Roles and Responsibilities

Effective management of the PSGP entails a collaborative effort and partnership within DHS/FEMA, the dynamics of which require continuing outreach, coordination, and interfacing. For the PSGP, FEMA is responsible for designing and operating the administrative mechanisms needed to implement and manage the grant program. The U.S. Coast Guard provides programmatic subject matter expertise for the maritime industry and in maritime security risk mitigation. Together, these two agencies, with additional assistance and cooperation from TSA and MARAD determine the primary security architecture of PSGP.

Appendix B – FY 2016 PSGP Funding Guidelines

Allowable Costs
This section provides guidance on allowable costs for the PSGP. The allowable costs should not be viewed as all-inclusive, and recipients with specific questions should coordinate with their Program Analyst.

Any project (submitted by an eligible applicant) that meets the PSGP priorities and is an allowable activity as stated in 46 U.S.C. § 70107(b), and can be shown to offer a direct and primary maritime security risk mitigation benefit will be considered for funding. However, those costs that are specifically noted as unallowable or ineligible will not be funded.

Cost Match
The following cost-match requirements apply for the FY 2016 PSGP (including ferry systems):

All PSGP Recipients must provide a non-federal match (cash or in-kind) supporting ***25 percent of the total project cost*** for each proposed project. Every project request (with the exception of training law enforcement agency personnel in the enforcement of security zones as defined by 46 U.S.C. § 70132 and or in assisting in the enforcement of such security zones) must demonstrate a 25 percent cost share.

The non-federal share can be cash or in-kind, with the exception of construction activities, which must be a cash-match (hard).

Cash and in-kind matches must consist of eligible costs (i.e., same allowability as the federal share) and must be identified as part of the submitted detailed budget worksheet. A cash-match includes cash spent for project-related costs while an in-kind match includes the valuation of in-kind services. The cost match requirement for the PSGP award may not be met by costs borne by another federal grant or assistance program. *Likewise, in-kind matches used to meet the matching requirement for the PSGP award may not be used to meet matching requirements for any other Federal grant program.* Additionally, normal routine operational costs cannot be used as cost match unless a completely new capability is being awarded. Please see 2 CFR § 200.306, as applicable, for further guidance regarding cost matching.

Exceptions to Cost Match
The following exceptions to the cost-match requirement may apply:

- There is no matching requirement for grant awards where the total project cost for all projects under the award is $25,000 or less (with the exception of national and regional corporations submitting 11 or more projects throughout their system[s]).
- There is no matching requirement for grants to train law enforcement agency personnel in the enforcement of security zones as defined by 46 U.S.C. § 70132 and or in assisting in the enforcement of such security zones. An example of training exempt from a matching requirement is the National Association of State Boating Law Administrators (NASBLA) Boat Operators Search and Rescue Training Course.

- If the Secretary of Homeland Security determines that a proposed project merits support and cannot be undertaken without a higher rate of federal support, the Secretary may approve grants with a matching requirement other than that specified above in accordance with 46 U.S.C. § 70107(c). Cost-match waivers under 46 U.S.C. § 70107(c)(2)(B) may be granted only if the Secretary of Homeland Security determines that (1) a proposed project merits support in light of the overall grant purpose and mission goals; and (2) that the project cannot be undertaken without a higher rate of federal support. See FEMA GPD Information Bulletin 376, titled, "Update to Port Security Grant Program (PSGP) Cost-Share Waiver Process," for further information on the PSGP cost-match waiver process (http://www.fema.gov/pdf/government/grant/bulletins/info376.pdf).
- Requests for cost-match waivers will be reviewed for successful applicants only after awards have been made. Applicants must have demonstrated the ability to comply with the cost match requirement at the time of application and since being awarded the grant, have experienced significant financial constraints as outlined in FEMA GPD Information Bulletin 376, (i.e., specific economic issues preclude provision of the cost-share identified in the original grant application). Cost-share waiver requests that do not demonstrate new, *post-award* difficulties and cost-share waivers submitted at the time of application will not be considered.

Limitations of Funding

As part of the FY 2016 PSGP application process, applicants must develop a formal IJ that addresses each initiative being proposed for funding. A separate IJ should be submitted for each proposed project which should represent the complete scope of work and materials required to achieve a single overall capability. For example, a project could be to procure a boat specifically designed and equipped as CBRNE detection, prevention, response, and/or recovery platform. The IJ for this project should include the CBRNE equipment in the same IJ as the vessel.

In accordance with 46 U.S.C. § 70107(b)(2), PSGP funding for projects for the cost of acquisition, operation, and maintenance of security equipment or facilities to be used for security monitoring and recording, security gates and fencing, marine barriers for designated security zones, security-related lighting systems, remote surveillance, concealed video systems, security vessels, and other security-related infrastructure or equipment that contributes to the overall security of passengers, cargo, or crewmembers cannot exceed $1,000,000 Federal share **per project**. Using the example above, if an IJ exceeded $1,000,000 which included two CBRNE vessels, each vessel would be viewed as a separate project.

The Secretary of Homeland Security may approve a greater amount of per-project funding, so long as that greater amount does not exceed 10 percent of total amount of PSGP funding provided to the recipient.

Note that the $1,000,000 per project limitation applies only to those projects funded under 46 U.S.C. § 70107(b)(2) and does not apply to projects funded under other provisions of Section 70107. Projects that are specifically not covered by the $1,000,000 per project limitation include projects for the acquisition of screening equipment funded under 46 U.S.C. § 70107(b)(3), and projects for the acquisition of equipment required to receive, transmit, handle, and store classified information funded under 46 U.S.C. § 70107(b)(7).

Management and Administration (M&A)
M&A activities are defined as those directly relating to the management and administration of PSGP funds, such as financial management and monitoring. The amount of allowable M&A is specified in each year's Notice of Funding Opportunity. PSGP M&A funds may be used for the following M&A costs:

- Hiring of full-time or part-time personnel, contractors or consultants responsible for M&A activities, including those related to compliance with grant reporting, including data calls
- Travel expenses, if directly related to the administration of the grant

Operational Costs
PSGP funding may be used to cover costs associated with new and ongoing maritime security operations in support of PSGP national priorities and one or more core capabilities in the Goal. All such operational activities must be focused on maritime security and coordinated with the local COTP.

This funding is intended to support an immediate need for personnel that will be directly engaged in maritime security activities. This funding will be limited to the costs of hiring of new personnel to operate vessels acquired with DHS/FEMA preparedness grant funds and to staff the maritime security related components of IOCs and other interagency coordination centers having a maritime security nexus. Funding for operational costs will only be available for the 36-month period of performance of the award. This will allow sufficient time for local government agencies (and, in some cases, private entities) to plan and budget for sustaining personnel related costs beyond the 36-month period of performance.

Allowable operational costs include:

- Hiring of new, full-time first response agency personnel to operate maritime security patrol vessels acquired with DHS/FEMA preparedness grant funds;
- Hiring of additional full-time personnel to staff a new or expanded interagency maritime security operation centers (including IOCs, maritime command and control centers, port security operations centers, etc.);
- Hiring of new, full-time first response agency personnel to support maritime security / counter-terrorism efforts in the local Joint Terrorism Task Force (JTTF) center;
- Overtime costs for existing personnel to operate patrol vessels acquired with DHS/FEMA preparedness grant funds in support of pre-planned, mission critical activities, as identified by the local COTP;
- Personnel or contracted costs for maintaining port security equipment acquired with DHS/FEMA preparedness grant funds; and
- Hiring of new or additional personnel in credentialing centers that support TWIC and access to a MTSA facility.

Operational costs will only be funded in cases where a new or expanded capability is added to address port (or facility) security needs. PSGP funding for permanent operational personnel will not exceed the 36-month period of performance.

Applicants must provide reasonable assurance that the personnel costs associated with the required operational capability can be sustained beyond the 36-month award period. A sustainment plan must be submitted with the applicant's IJ to address the 12-month period beyond the period of performance of the award.

Equipment for new personnel, such as uniforms and personnel protective equipment, is an allowable expense. ***Weapons and equipment associated with weapons maintenance/security (i.e., firearms, ammunition, gun lockers) are not allowable***.

1. ***Maritime Domain Awareness (MDA)***
   Funds may be used for the following types of MDA projects in support of one or more core capabilities in the Goal:

   - Deployment of detection and security surveillance equipment;
   - Development/enhancement of information sharing systems for risk mitigation purposes, including equipment (and software) required to receive, transmit, handle, and store classified information;
   - Enhancements of command and control facilities;
   - Enhancement of interoperable communications/asset tracking for sharing terrorism threat information (including ensuring that mechanisms are interoperable with federal, state, and local agencies) and to facilitate incident management;
   - Video surveillance systems that specifically address and enhance maritime security (these systems must have plug and play capabilities with a DHS Interagency Operations Center (IOC) or other local or federal operations center); and
   - Interoperable communications equipment for direct maritime security providers (equipment is limited to portable equipment used by the port authority in support of MTSA facilities and MTSA vessels).

   Applicants are encouraged to familiarize themselves with the National Strategy for Maritime Security, National Plan to Achieve Maritime Domain Awareness, available at http://www.whitehouse.gov/sites/default/files/docs/national_maritime_domain_awareness_plan.pdf.

2. ***Port Resiliency and Recovery***
   PSGP funds may be used for the following resiliency and recovery activities with an emphasis on planning in support of one or more of the core capabilities in the Goal:

   - Development or updating of port-wide risk mitigation plan, to include the conduct of port security vulnerability assessments as necessary to support plan update/development.
     - Ports that already have completed plans should pursue PSGP funds to address their identified risks and vulnerabilities, including any projects that would help enable continuity of port operations and rapid recovery of the port following a major incident.

- Ports that have not completed plans are highly encouraged to complete them and may apply for PSGP funding to facilitate that effort.
- Specific questions on developing or updating a port-wide risk mitigation plan should be directed to the respective FEMA Program Analyst.

- Public education and outreach (e.g., the "If You See Something, Say Something™" campaign, Transit Watch, America's PrepareAthon!). Such activities should be coordinated with local Citizen Corps Council(s), and local U.S. Coast Guard Reserves and/or USCG Auxiliary
- Public alert and warning systems and security education efforts in conjunction with Transit Watch or similar public education or outreach programs addressing maritime security
- Development and implementation of homeland security support programs and adoption of ongoing DHS national initiatives (including building or enhancing preventive radiological and nuclear detection programs) within the maritime transportation system realm
- Development and enhancement of security plans and protocols within the AMSP, PRMP, and the BCRTP in support of maritime security planning and maritime security risk mitigation
- Hiring of part-time temporary personnel and contractors or consultants to assist with planning activities (not for the purpose of hiring public safety personnel)
- Overtime costs associated with eligible planning activities
- Materials required to conduct the aforementioned planning activities
- Travel and per diem related to the professional planning activities noted in this section
- Equipment in support of resiliency such as interoperable communications, intrusion prevention/detection, physical security enhancements, and software and equipment needed to support essential functions during a continuity situation
- Other port-wide project planning activities, which emphasize the ability to adapt to changing conditions and be prepared to withstand, and recover from, disruptions due to emergencies with prior approval from DHS/FEMA

3. Training and Exercises

Training

Funding for personnel training will generally be limited to those courses that have been listed in the FEMA approved course catalog by the FEMA National Training and Education Division (NTED) or the USCG. Approved courses are listed in the following catalogs maintained by NTED: *NTED Course Catalog*; *Federal Sponsored Course Catalog*; and the *State-Sponsored Course Catalog*. The catalogs may be viewed at http://www.firstrespondertraining.gov.

Funding for other training courses may be permitted on a case-by-case basis depending on the specific maritime security risk mitigation training needs of the eligible PSGP applicant. In such case, the applicant will be required to explain in the Investment Justification why none of the approved courses referenced above satisfy the identified

training need and must submit detailed course information for review and consideration by the local COTP field review team and the Nation Review Panel.

For additional information on training course review and approval requirements please refer to DHS/FEMA Grant Programs Directorate Policy FP 207-008-064-1, *Review and Approval Requirements for Training Courses Funded Through Preparedness Grants*, issued on September 9, 2013. The Policy can be accessed at http://www.fema.gov/media-library/assets/documents/34856.

Exercises

Funding used for exercises will only be permitted for those exercises that are in direct support of a MTSA-regulated facility or Port Area's MTSA required exercises (see 33 C.F.R. 105.220 for a facility and 33 C.F.R. 103.515 for the AMSP). These exercises must be coordinated with the COTP and AMSC and be consistent with Homeland Security Exercise and Evaluation Program (HSEEP). More information on HSEEP may be found at https://www.fema.gov/exercise.

Grant recipients should submit an After Action Report/Improvement Plan (AAR/IP) for each exercise to hseep@fema.dhs.gov, and the appropriate local COTP no later than 90 days after completion of the exercise conducted within the PSGP Period of Performance, In accordance with HSEEP guidance, grant recipients are reminded of the importance of implementing corrective actions iteratively throughout the progressive exercise cycle.

Grant recipients are encouraged to use the HSEEP AAR/IP template located at https://www.fema.gov/exercise and utilize the Corrective Action Program (CAP) System at https://hseep.dhs.gov/caps, as a means to track the implementation of corrective actions listed in the AAR/IP.

PSGP funds may be used for the following training and exercise activities:

- **Hiring of Full or Part-Time Personnel or Contractors/Consultants**
  To support training and/or maritime security exercise-related activities. Payment of salaries and fringe benefits must be in accordance with the policies of the state or unit(s) of local government and have the approval of the state or awarding agency, whichever is applicable. Such costs must be included within the funding allowed under the personnel cap for program management personnel expenses, which must not exceed 15 percent (15%) of the recipient's total award allocation. Dual compensation is not allowable. That is, an employee of a unit of government may not receive compensation from their unit or agency of government AND from an award for a single period of time (e.g., 1:00 p.m. to 5:00 p.m.), even though such work may benefit both activities.
- **Overtime and Backfill**
  The entire amount of overtime costs, including payments related to backfilling personnel, which are the direct result of attendance at DHS/FEMA approved training courses and programs and/or maritime security exercise-related activities are allowable. Reimbursement of these costs should follow the policies of the state or

local unit(s) of government or the awarding agency, whichever is applicable. Dual compensation is not allowable. That is, an employee of a unit of government may not receive compensation from their unit or agency of government AND from an award for a single period of time (e.g., 1:00 p.m. to 5:00 p.m.), even though such work may benefit both activities.

- **Travel**
  Travel costs (e.g., airfare, mileage, per diem, hotel) are allowable as expenses by employees who are on travel status for official business related to approved training and exercises.
- **Training workshops**
  Grant funds may be used to plan and conduct training workshops to include costs related to planning, meeting space and other meeting costs, facilitation costs, materials and supplies, travel, and training plan development.
- **Funds used to deliver training**
  Including costs related to administering the training, planning, scheduling, facilities, materials and supplies, reproduction of materials, and equipment. Training should provide the opportunity to demonstrate and validate skills learned.
- **Funds used to design, develop, conduct, and evaluate a maritime security exercise**
  Includes costs related to planning, meeting space and other meeting costs, facilitation costs, materials and supplies, travel, and documentation. Recipients are encouraged to use free public space/locations/facilities, whenever available, prior to the rental of space/locations/facilities. Exercises should provide the opportunity to demonstrate and validate skills learned.
- **Supplies**
  Supplies are items that are expended or consumed during the course of the planning and conduct of the training project(s) (e.g., copying paper, gloves, tape, and non-sterile masks).
- **Other items**
  These costs may include the rental of space/locations for exercise planning and conducting approved training courses, rental of equipment, etc. For PSGP funded courses, the cost of fuel may be allowed in cases where the participating entity must provide its own equipment (such as boats, response vehicles, etc.). For maritime security exercises, the cost of fuel, exercise signs, badges, etc. may be allowed.

Unauthorized exercise-related costs include:

- Reimbursement for the maintenance and wear and tear costs of general use vehicles (e.g., construction vehicles) and emergency response apparatus (e.g., fire trucks, ambulances, repair or cleaning of Personal Protection Equipment (PPE), etc.).
- Equipment that is purchased for permanent installation and use, beyond the scope of exercise conduct (e.g., electronic messaging signs).

Approved exercise program:

- **A*rea Maritime Security Training and Exercise Program (AMSTEP)***

AMSTEP is the Coast Guard developed mechanism by which AMSCs and Federal Maritime Security Coordinators will continuously improve security preparedness in the port community.

- ***Intermodal Security Training Exercise Program (I-STEP)***
  I-STEP was established by TSA to enhance the preparedness of our Nation's surface-transportation sector network with meaningful evaluations of prevention, preparedness, and ability to respond to terrorist-related incidents. *I-STEP* improves the intermodal transportation industry's ability to prepare for and respond to a transportation security incident (TSI) by increasing awareness, improving processes, creating partnerships, and delivering transportation-sector network security training exercises.

4. ***Cybersecurity***

Cybersecurity projects should address risks to the marine transportation system and/or TSIs outlined in the applicable AMSP or priorities prescribed under applicable FSP or VSP, as mandated under the MTSA or the PRMPs. At the port level, examples of cybersecurity projects include (but are not limited to) projects that enhance the cybersecurity of access control; sensors; security cameras; badge/ID readers; ICS/SCADA systems; process monitors and controls (such as those that monitor flow rates, valve positions, tank levels, etc.); security/safety of the ship-to-port-to-facility-to-intermodal interface, and systems that control vital cargo machinery at the ship/shore interface (such as cranes, manifolds, loading arms, etc.); and passenger/vehicle/cargo security screening equipment.

Vulnerability assessments are generally not funded under PSGP. However, considering the evolving malicious cyberactivity, the relative newness of Cybersecurity as a priority within the program and the need to adopt best practices included in the voluntary Cybersecurity Framework, vulnerability assessments may be funded as contracted costs. Personnel costs (other than M&A) are not an allowable expense for conducting these assessments.

NEW: Copies of completed cybersecurity assessments funded under the Port Security Grant Program that impact the maritime transportation system, lead to a "transportation security incident" (as that term is defined under 46 U.S.C. § 70101(6)), or are otherwise related to systems, personnel, and procedures addressed by the facility and vessel plan shall be made available to FEMA GPD and/or the local COTP upon request. The results of these cybersecurity assessments may be designated as Sensitive Security Information and may be used to inform national maritime cybersecurity assessments.

Where a vulnerability assessment has been completed either through contracts or qualified personnel to identify existing gaps and required mitigation efforts, mitigating projects may be funded that include purchase of equipment, software, and infrastructure designed to harden cybersecurity. Specific questions on conducting vulnerability assessments should be referred to the respective FEMA Program Analyst.

5. IED and CBRNE Prevention, Protection, Response, Recovery Capabilities

To develop or sustain one or more core capabilities in the Goal, eligible port facilities, vessels, and police/fire rescue agencies may receive funding for the following types of IED and CBRNE capabilities:

Port Facilities regulated under 33 C.F.R. Part 105 and Police/Fire agencies that respond to these facilities

- CBRNE detection, prevention, response, and recovery equipment
- Explosives Detection Canine Teams (EDCTs)
- Small boats that are specifically designed and equipped as CBRNE detection, prevention, response, and/or recovery platforms for eligible maritime law enforcement and fire departments (CBRNE equipment must be requested in the same investment justification used to request a vessel, to include a CBRNE equipment list and be specifically identified in the detailed budget worksheet). Vessels failing to identify CBRNE capabilities may be considered for funding under exceptional circumstances verified by the COTP. For a vessel to be considered a CBRNE platform, it must include one or more of the general equipment noted below:
  - Radioisotope Identification Device (RIID)
  - Radiation detection backpack(s)
  - Boat-mounted Radiation detection system
  - Personal Radiation Detector (PRD) in conjunction with a RIID, backpack, or vessel mounted system.
- Improved lighting to meet maritime security risk mitigation needs
- Hardened security gates and vehicle barriers
- Floating protective barriers designed to stop a small vessel threat
- Underwater intrusion detection systems
- Reconfiguring of dock access areas to prevent intrusion via small boat or swimmer/diver access

Vessels regulated under 33 C.F.R. Part 104

- Restricted area protection (cipher locks, hardened doors, closed-circuit television (CCTV) for bridges and engineering spaces)
- Interoperable communications equipment
- Canines for explosives detection
- Access control and TWIC standardized credentialing
- Floating protective barriers

6. Transportation Worker Identification Credential (TWIC)

The TWIC is designed to be an open architecture, standards-based system. Port projects that involve new installations or upgrades to access control and credentialing systems, should exhibit compliance with TWIC standards and program specifications. *Fees associated with the application for, and issuance of the TWIC cards themselves are ineligible for award funding consideration*.

Allowable costs under this section include those projects that will ensure the safe and secure transit of foreign seafarers and shore personnel/support [who are not eligible for TWIC] to and from the vessel while at MTSA regulated facilities. For additional information, see FEMA GPD IB 346, titled "Port Security Grant Program Allowable Costs for Seafarers and Shore Staff/Support." Applicants are encouraged to utilize the Qualified Technologies List to identify TWIC equipment: https://universalenroll.dhs.gov/permalinks/static/twic-reader-qtl.

Equipment Acquisition

PSGP funds may be used for the following types of equipment provided it will be used in direct support of maritime security risk mitigation and it supports developing or sustaining one or more core capabilities in the Goal:

- Personal Protection Equipment (PPE) for maritime security providers
- Explosive device response and remediation equipment for maritime security providers
- CBRNE detection equipped patrol watercraft vessel/small boat used to directly support maritime security for a facility or within a Port Area on a routine basis (CBRNE detection equipment must be requested with the watercraft/small boat in the IJ to include CBRNE equipment list and detailed budget). Limited exceptions may be considered for non-CBRNE equipped vessels.
- Information sharing technology; components or equipment designed to share maritime security risk information and maritime all hazards risk information with other agencies (equipment must be compatible with generally used equipment)
- Maritime security risk mitigation interoperable communications equipment
- CBRNE decontamination equipment for direct maritime security providers and MTSA-regulated industry
- Terrorism incident prevention and response equipment for maritime security risk mitigation
- Physical security enhancement equipment (e.g., fences, blast resistant glass, turnstiles, hardened doors and vehicle gates)
- Equipment such as portable fencing, CCTVs, passenger vans, mini-buses, etc. to support secure passage of vessel crewmembers through a MTSA regulated facility
- CBRNE detection equipped patrol vehicles/vessels, provided they will be used primarily for port/facility security and/or response operations.
- Marine firefighting vessels, provided they are outfitted with CBRNE detection equipment and are designed and equipped to meet NFPA 1925: Standard on Marine Fire-Fighting Vessels
- Firefighting foam and Purple-K Power (PKP) may be purchased by public fire departments, which have jurisdictions in a Port Area and would respond to an incident at an MTSA regulated facility. MTSA facilities may also receive funding for this purpose. Funding will be limited to a one-time purchase based on a worst-case incident at the facility or facilities
- Equipment such as telecommunications, computers, and systems to support state and local agency participation in IOCs for port security to include virtual IOC capabilities (this equipment must be compatible with generally used equipment, requiring no interface equipment or software other than cabling, wires, or fiber optics)

- Generators with appropriate capability (size) to provide back-up systems and equipment that support Maritime Domain Awareness;
    1. Access control equipment and systems
    2. Detection and security surveillance equipment
    3. Enhancement of Command and Control facilities

A comprehensive listing of allowable equipment categories and types is found in the DHS Authorized Equipment List (AEL).

Controlled Equipment
Grant funds may be used for the purchase of controlled equipment, however, because of the nature of the equipment and the potential impact on the community, there are additional and specific requirements in order to acquire this equipment.

Refer to Information Bulletin 407 *Use of Grant Funds for Controlled Equipment* for the complete *Controlled Equipment List*, information regarding the *Controlled Equipment Request Form*, and a description of the specific requirements for acquiring controlled equipment with DHS/FEMA grant funds. For additional information on controlled equipment refer to Executive Order (EO) 13688 Federal Support for Local Law Enforcement Equipment Acquisition, and the Recommendations Pursuant to Executive Order 13688.

Requirements for Small Unmanned Aircraft System
All requests to purchase Small Unmanned Aircraft System (SUAS) with FEMA grant funding must also include the policies and procedures in place to safeguard individuals' privacy, civil rights, and civil liberties of the jurisdiction that will purchase, take title to, or otherwise use the SUAS equipment, see Presidential Memorandum: Promoting Economic Competitiveness While Safeguarding Privacy, Civil Rights, and Civil Liberties, in Domestic Use of Unmanned Aircraft Systems, issued February 20, 2015.

Specific Guidance on Sonar Devices
The four types of allowable sonar devices are: imaging sonar, scanning sonar, side scan sonar, and three-dimensional sonar. These types of sonar devices are intended to support the detection of underwater improvised explosive devices and enhance MDA. The eligible types of sonar, and short descriptions of their capabilities, are provided below:

- **Imaging Sonar:** A high-frequency sonar that produces "video-like" imagery using a narrow field of view. The sonar system can be pole-mounted over the side of a craft or hand-carried by a diver.
- **Scanning Sonar:** Consists of smaller sonar systems that can be mounted on tripods and lowered to the bottom of the waterway. Scanning sonar produces a panoramic view of the surrounding area and can cover up to 360 degrees.
- **Side Scan Sonar:** Placed inside a shell and towed behind a vessel. Side scan sonar produces strip-like images from both sides of the device.
- **Three-Dimensional Sonar:** Produces 3-dimensional imagery of objects using an array receiver.

Other Allowable Costs:

Maintenance and Sustainment
The use of DHS/FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted. With the exception of maintenance plans purchased incidental to the original purchase of the equipment (i.e. at the time of purchase, the equipment comes with a 5 year warranty), the period covered by maintenance or warranty plan must not exceed the period of performance of the specific grant funds used to purchase the plan or warranty. Additional guidance is provided in FEMA Policy FP 205-402-125-1, *Maintenance Contracts and Warranty Coverage Funded by Preparedness Grants*, located at: http://www.fema.gov/media-library/assets/documents/32474.

Specific Guidance on Construction and Renovation Projects
Recipients must obtain written approval from DHS/FEMA prior to the use of any PSGP funds for construction or renovation projects. Additionally, PSGP funding may not be used to construct buildings or other physical facilities that are not constructed under terms and conditions consistent with the requirements of section 611(j)(9) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5196(j)(9)) (the *Stafford Act*)[1], which requires compliance with the *Davis-Bacon Act* (40 U.S.C. § 3141 *et seq.*) for PSGP funded projects. Grant recipients must ensure that their contractors or subcontractors for construction projects pay workers no less than the prevailing wages for laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the state in which the work is to be performed. Additional information regarding compliance with the *Davis-Bacon Act*, including Department of Labor wage determinations, is available at http://www.dol.gov/whd/govcontracts/dbra.htm.

The following types of construction and renovation projects are allowable under the PSGP provided they address a specific vulnerability or need identified in AMSP or otherwise support the maintenance/sustainment of capabilities and equipment acquired through PSGP funding:

- Maritime Command and Control Centers
- IOCs for maritime security
- Port Security Emergency Communications Centers
- Buildings to house generators that support maritime security risk mitigation
- Maritime security risk mitigation facilities (e.g., dock house, ramps, and docks for existing port security assets)
- Hardened security fences/barriers at access points
- Any other building or physical facility that enhances access control to the port/MTSA facility area

[1] While the *Maritime Transportation Security Act of 2002*, as amended, requires that such activities are carried out consistent with Section 611(j)(8) of the *Stafford Act*, a subsequent amendment to the *Stafford Act* by Pub. L. No. 109-308 in 2006 redesignated the text of Section 611(j)(8) to 611(j)(9). The cross-reference in the *Maritime Transportation Security Act of 2002* has never been updated.

- Certain areas throughout the Nation may require a barge that can be permanently anchored or moored in certain areas to support maritime security risk mitigation activities (PSGP funding may be used to purchase and/or upgrade a barge to support a staging area for maritime/port security patrols or maritime security risk mitigation responses)

To be considered eligible for funding, fusion centers, operations centers, and communications centers must offer a port-wide benefit and support information sharing and coordination of operations among regional interagency and other port security partners. Applicants are reminded that the period of performance for FY 2016 is thirty-six (36) months.

Eligible costs for construction or renovation projects may not exceed the greater of $1,000,000 (Federal-share) per project or such greater amount as may be approved by the Secretary, which may not exceed ten percent of the total amount of the award, as stated in 46 U.S.C. § 70107(b)(2)(A) and (B) (Section 102 of the *Maritime Transportation Security Act of 2002*, Pub. L. 107-295, Nov. 25, 2002).

Grant recipients are not permitted to use PSGP funds for construction projects that are eligible for funding under other federal grant programs. PSGP funds may only be used for construction activities directly related to maritime security risk mitigation enhancements.

When applying for construction funds, including communications towers, at the time of application, recipients must submit evidence of approved zoning ordinances, architectural plans, any other locally required planning permits, and a notice of federal interest. Additionally, recipients are required to submit a SF-424C Budget and budget detail worksheet citing the project costs.

All construction projects require an EHP review. EHP review materials should be sent to gpdehpinfo@fema.gov.

Specific Guidance on Explosives Detection Canine Teams (EDCT)
USCG has identified canine (K-9) explosive detection as the most effective solution for the detection of vehicle borne IEDs. When combined with the existing capability of a port or ferry security/police force, the added value provided through the addition of a canine team is significant. EDCTs are a proven, reliable resource to detect explosives and are a key component in a balanced counter-sabotage program.

Eligibility for funding of EDCTs is restricted to:

- U.S. Ferry Systems regulated under 33 C.F.R. Parts 101, 103, 104, and the passenger terminals these specific ferries service under 33 C.F.R. Part 105
- MTSA regulated facilities
- Port authorities, port police and local law enforcement agencies that provide direct layered security for these U. S. Ferry Systems and MTSA regulated facilities and are defined in the AMSP, FSP, or VSP

Applicants may apply for up to $450,000 ($150,000/year for three years) per award to support this endeavor. At the end of the grant period (36 months), recipients will be responsible for maintaining the heightened level of capability provided by the EDCT.

EDCT Eligible Costs
Funds for these EDCTs may **not** be used to fund drug detection and apprehension technique training. Only explosives detection training for EDCTs will be funded. The PSGP EDCT funds may only be used for ***new*** capabilities/programs and cannot be used to pay for existing capabilities/programs (e.g., K-9 teams) already supported by the Port Area. Maintenance and sustainment of existing EDCT equipment is allowed.

Eligible costs include:

- Contracted K-9 and handler providing services in accordance with PSGP guidance
- Salary and fringe benefits of new full or part-time K-9 handler positions
- Training and certifications (travel costs associated with training for full or part time agency handlers, and canines are allowable)
- K-9 and handler equipment costs
- Purchase and train a K-9 and handler for CBRNE detection
- K-9 maintenance costs (K-9 costs include but are not limited to: veterinary, housing, and feeding costs)

Ineligible EDCT costs (include but are not limited to):

- Hiring costs
- Meals and incidentals associated with travel for initial certification
- Vehicles modified to be used solely to transport canines

EDCT Certification
Each EDCT, composed of one dog and one handler, must be certified by an appropriate, qualified organization. K-9 and handler should receive an initial basic training course and weekly maintenance training sessions thereafter to maintain the certification. The basic training averages ten weeks for the canine team (K-9 and handler together) with weekly training and daily exercising. Comparable training and certification standards, such as those promulgated by the TSA Explosive detection canine program, the National Police Canine Association (NPCA), the U.S. Police Canine Association, (USPCA) or the International Explosive Detection Dog Association (IEDDA) may be used to meet this requirement. Certifications and training records will be kept on file with the recipient and made available to DHS/FEMA upon request.

EDCT Submission Requirements
Successful applicants will be required to submit an amendment to their approved VSP or FSP per 33 C.F.R. Parts 104 and/or 105 detailing the inclusion of a K-9 explosive detection program into their security measures.

The recipient will ensure that a written plan or standard operating procedure (SOP) exists that describes EDCT deployment policy to include visible and unpredictable deterrent efforts and on-

call EDCTs rapid response times as dictated by the agency's FSP or VSP. The plan must be made available to DHS/FEMA and USCG upon request.

The recipient will comply with requirements for the proper storage, handling and transportation of all explosive training aids in accordance with the Bureau of Alcohol, Tobacco, Firearms and Explosives' Publication 5400.7 (ATF P 5400.7) (09/00), *Federal Explosive Law and Regulation*.

Additional EDCT Resources Available for K-9 Costs
The PSGP, while providing the ability to defray some start-up costs, does not cover any recurring costs associated with EDCT programs. DHS/FEMA strongly encourages applicants to investigate their eligibility, and potential exclusions, for these resources when developing their K-9 programs.

Unallowable Costs
In general, any project that does not provide a compelling maritime security benefit or have a direct nexus toward maritime security risk mitigation. For example, projects that are primarily for economic or safety benefit (as opposed to having a direct maritime security risk mitigation benefit) are ineligible for PSGP funding. In addition, projects that provide a broad homeland security benefit (for example, a communication system or fusion center for an entire city, county, state, etc.) as opposed to providing primary benefit to the port are ineligible for PSGP funding since these projects should be eligible for funding through other preparedness grant programs.

The following projects and costs are considered ineligible for award consideration:

- **Prohibited Equipment:** grant funds may not be used for the purchase of Prohibited Equipment. Refer to Information Bulletin 407 *Use of Grant Funds for Controlled Equipment* for the complete *Prohibited Equipment List*. For additional information on Prohibited Equipment see Executive Order (EO) 13688 Federal Support for Local Law Enforcement Equipment Acquisition, and the Recommendations Pursuant to Executive Order 13688.
- The development of risk/vulnerability assessment models and methodologies except as required to update PRMPs, vulnerability assessments following established models are allowed.
- Projects in which federal agencies are the primary beneficiary or that enhance federal property, including voluntary sub-components of a Federal agency
- Projects that study technology development for security of national or international cargo supply chains (e.g., e-seals, smart containers, container tracking or container intrusion detection devices)
- Proof-of-concept projects
- Development of training
- Projects that duplicate capabilities being provided by the Federal Government (e.g., vessel traffic systems)
- Business operating expenses (certain security-related operational and maintenance costs are allowable – see "Maintenance and Sustainment" and "Operational Costs" for further guidance)
- TWIC card fees

- Signage, projects for placarding and billboards, or hard fixed structure signage
- Reimbursement of pre-award security expenses
- Outfitting facilities, vessels, or other structures with equipment or items providing a hospitality benefit rather than a direct security benefit. Examples of such equipment or items include, but are not limited to: office furniture, CD players, DVD players, AM/FM radios, TVs, stereos, entertainment satellite systems, Entertainment cable systems and other such entertainment media, unless sufficient justification is provided
- Weapons and associated equipment (i.e., holsters, optical sights, and scopes), including, but not limited to: non-lethal or less than lethal weaponry including firearms, ammunition, and weapons affixed to facilities, vessels, or other structures
- Expenditures for items such as general-use software, general-use computers, and related equipment (other than for allowable M&A activities, or otherwise associated) preparedness or response functions), general-use vehicles and licensing fees
- Other items not in accordance with the AEL or previously listed as allowable costs:
    - Land acquisitions and right of way purchases
    - Funding for standard operations vehicles utilized for routine duties, such as patrol cars and fire trucks
    - Fuel costs (except as permitted for training and exercises)
- Exercise(s) that do not support maritime security preparedness efforts
- Patrol Vehicles and Fire Fighting Apparatus, other than those CBRNE detection equipped vehicles for Port Area and/or facility patrol or response purposes
- Providing protection training to public police agencies or private security services to support protecting VIPs or dignitaries
- Aircraft pilot training

Appendix C – FY 2016 PSGP Investment Justification Template

Investment Heading	
Port Area	
State	
Applicant Organization	
Investment Name	
Investment Amount	$

I. Background

Note: This section only needs to be completed once per application, regardless of the number of investments proposed. The information in this section provides background and context for the investment(s) requested, but does not represent the evaluation criteria used by DHS/FEMA for rating individual investment proposals.

I. Provide an overview of the Port Area, MTSA regulated facility, or MTSA regulated vessel	
Response Type	Narrative
Page Limit	Not to exceed 1 page
Response Instructions	• Area of Operations: - Identify COTP Zone - Identify eligible Port Area - Identify exact location of project site (i.e., physical address of facility being enhanced) - Identify who the infrastructure (project site) is owned or operated by, if not by the applicant's own organization • Point(s) of contact for the organization (include contact information): - Identify the organization's Authorizing Official for entering into the grant agreement, including contact information - Identify the organization's primary point of contact for management of the project(s) • Ownership or Operation: - Identify whether the applicant is a private entity or a state or local agency • Role in providing layered protection of regulated entities (applicable to state or local agencies only): - Describe the organization's specific roles, responsibilities and activities in delivering layered protection • Important features: - Describe any operational issues important to the consideration of the application (e.g., interrelationship of the organization's operations with other eligible high-risk ports, etc.) • Ferry systems required data: • Infrastructure • Ridership data • Number of passenger miles • Number of vehicles per vessel, if any • Types of service and other important features

	• System map • Geographical borders of the system and the cities and counties served • Other sources of funding being leveraged for security enhancements
Response	

II. Strategic and Program Priorities

II.A. Provide a brief abstract of the investment list just ONE investment.	
Response Type	Narrative
Page Limit	Not to exceed 1/2 page
Response Instructions	Provide a succinct statement summarizing this investment. • What is the organization requesting the funding to purchase? • What capabilities does the project provide? • What existing capabilities already exist in the Port Area similar to this project's capabilities? • Why is this project needed and how does it contribute to achieving a more secure and resilient Port Area?
Response	

II.B. Describe how the investment will address one or more of the PSGP priorities and/or the Goal core capabilities within the Area Maritime Security Plan, facility security plan, vessel security plan, or alternate security program plan	
Response Type	Narrative
Page Limit	Not to exceed 1/2 page
Response Instructions	Describe how, and the extent to which, the investment addresses: • Enhancement of Maritime Domain Awareness • Enhancement of IED and CBRNE prevention, protection, response and recovery capabilities • Port resilience and recovery capabilities • Enhancing Cybersecurity capabilities • Training and exercises • Efforts supporting the implementation of TWIC • Describe how the investment builds or sustains one or more of the Goal core capabilities • List the plan and/or supporting documents that identifies the gap or deficiency this project addresses? • How will the project close the identified gap or deficiency in one of more of the core capabilities? • Area Maritime Security Plan and/or Captain of the Port Priorities
Response	

III. Impact

III.A. Describe how the project offers the highest risk reduction potential at the least cost	
Response Type	Narrative
Page Limit	Not to exceed 1/2 page
Response Instructions	• Discuss how the project will reduce risk in a cost effective manner • Discuss how this investment will reduce risk (e.g., reduce vulnerabilities or mitigate the consequences of an event) by addressing the needs and priorities identified in earlier analysis and review
Response	

III.B. Describe current capabilities similar to this investment	
Response Type	Narrative
Page Limit	Not to exceed 1/2 page
Response Instructions	• Describe how many agencies within the port have existing equipment that are the same or have similar capacity as the proposed project • Include the number of existing capabilities within the port that are identical or equivalent to the proposed project
Response	

IV. Implementation Plan

IV.A. Provide a high-level timeline, milestones and dates, for the implementation of this investment such as stakeholder engagement, planning, major acquisitions or purchases, training, exercises, and process/policy updates. Up to 10 milestones may be provided.	
Response Type	Narrative
Page Limit	Not to exceed 1 page
Response Instructions	• Only include major milestones that are critical to the success of the investment • Milestones are for this discrete investment – those that are covered by the requested PSGP funds and will be completed over the 36-month grant period starting from the award date, giving consideration for review and approval process up to 12 months (estimate 36 month project period) • Milestones should be kept to high-level, major tasks that will need to occur (i.e., design and development, begin procurement process, site preparations, installation, project completion, etc.) • List any relevant information that will be critical to the successful completion of the milestone (such as those examples listed in the question text above) *Note: Investments will be evaluated on the expected impact on security relative to the amount of the investment (i.e., cost effectiveness). An itemized budget detail worksheet and budget narrative must also be completed for this investment. See following section for a sample format*
Response	

Appendix D – FY 2016 PSGP Sample Budget Detail Worksheet

Purpose: The budget detail worksheet may be used as a guide to assist applicants in the preparation of the budget and budget narrative. Applicants may submit the budget and budget narrative using this form or in the format of their choice (plain sheets, the applicant's own form, or a variation of this form). However, all required information (including the budget narrative) must be provided. Any category of expense not applicable to the project budget may be deleted. Below is an example for reference purposes.

A. Personnel. List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization.

Name/Position	Computation	Cost
John Doe, Widget Producer	$30,000 annually x 50% effort	$ 15,000
	Total Personnel	$ 15,000

B. Fringe Benefits. Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project.

Name/Position	Computation	Cost
John Doe, Widget Producer	15,000 x 50% of salary	$ 7,500
	Total Fringe Benefits	$ 7,500

C. Travel. Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interviews, advisory group meeting, etc.). Show the basis of computation (e.g., six people to three-day training at $X airfare, $X lodging, $X subsistence). In training projects, travel and meals for trainees should be listed separately. Show the number of trainees and unit costs involved. Identify the location of travel, if known. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location	Item	Computation	Cost
FLETC Training	Washington, DC	Hotel	150 x 3 nights	$ 450
			Total Travel	$ 450

D. Equipment. List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than one year. (Note: Organization's own capitalization policy and threshold amount for classification of equipment may be used). Identify the Authorized Equipment List number (AEL #) for items requested. Expendable items should be included either in the "Supplies" category or in the "Other" category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the "Contractual" category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used. For CBRNE

Vessels or Vehicles, list the specific CBRNE equipment that will be installed on the vessel or vehicle, including equipment already owned by the applicant.

Budget Narrative: A narrative budget justification must be provided for each of the budget items identified.

Item	Computation	Cost
Harness	10 x $100	$ 1,000
	Total Equipment	$ 1,000

E. Supplies. List items by type (office supplies, postage, training materials, copying paper, and other expendable items such as books, hand held tape recorders) and show the basis for computation. (Note: Organization's own capitalization policy and threshold amount for classification of supplies may be used). Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supply Items	Computation	Cost
Paper	10 reams x $30	$ 300
	Total Supplies	$ 300

F. Consultants/Contracts. Indicate whether applicant's procurement policy follows standards found in 2 C.F.R. § 200.318(a).

***Consultant Fees*:** For each consultant enter the name, if known, service to be provided, reasonable daily or hourly (8-hour day), and estimated time on the project to include M&A.

Budget Narrative: A narrative budget justification must be provided for each of the budget items identified.

Name of Consultant	Service Provided	Computation	Cost
John Doe Consultant	Training Consultant	$100/hr. x 100 hours	$ 10,000
		Subtotal – Consultant Fees	$ 10,000

Consultant Expenses: List all expenses to be paid from the grant to the individual consultant in addition to their fees (i.e., travel, meals, lodging, etc.)

Budget Narrative: A narrative budget justification must be provided for each of the budget items identified.

Item	Location	Computation	Cost
John Doe Consultant	Phoenix, AZ	Hotel 150 x 3nights	$ 450
		Subtotal – Consultant Expenses	$ 450

***Contracts*:** Provide a description of the product or services to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. Any sole source contracts must follow the requirements set forth in in applicable state and local laws and regulations, as well as applicable Federal regulations at 2 CFR Part 200.

Budget Narrative: A narrative budget justification must be provided for each of the budget items identified.

Item	Cost
Jane Doe Contractor – Engine Maintenance, 36 months	$ 30,000
Subtotal – Contracts	$

Total Consultants/Contracts	$

G. Other Costs. List items (e.g., reproduction, janitorial or security services, and investigative or confidential funds) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, and provide a monthly rental cost and how many months to rent.

Budget Narrative: Provide a narrative budget justification for each of the budget items identified.

Important Note: If applicable to the project, construction costs should be included in this section of the budget detail worksheet.

Description	Computation	Cost
		$
	Total Other	$

H. Indirect Costs. Indirect costs are allowable only as described in 2 C.F.R. § 200.414. With the exception of recipients who have never received a negotiated indirect cost rate as described in 2 C.F.R. § 200.414(f), recipients must have an approved indirect cost rate agreement with their cognizant Federal agency to charge indirect costs to this award. A copy of the approved rate (a fully executed, agreement negotiated with the applicant's cognizant Federal agency) must be attached.

Description	Computation	Cost
		$
	Total Indirect Costs	$

Budget Summary - When the budget detail worksheet has been completed, applicants should transfer the total for each category to the spaces below. Compute the total direct costs and the total project costs. Indicate the amount of Federal funds requested and the amount of non-Federal funds that will support the project.

Budget Category	Federal Amount	Non-Federal Amount
A. Personnel	$ 11,250	$ 3,750
B. Fringe Benefits	$ 5,625	$ 1,875
C. Travel	$ 337.50	$ 112.50
D. Equipment	$ 750	$ 250
E. Supplies	$ 225	$ 75
F. Consultants/Contracts	$ 30,337	$ 10,112
G. Other	$ 0	$ 0
H. Indirect Costs	$ 0	$ 0

Total Requested Federal Amount	Total Non-Federal Amount
$ 48,525.50	$ 16,175.50
Combined Total Project Costs	
$ 64,700	

Appendix E – FY 2016 PSGP Sample MOU/MOA Template

Memorandum of Understanding / Agreement
Between [provider of layered security] and [recipient of layered security]
Regarding [provider of layered security's] use of port security grant program funds

1. PARTIES. The parties to this Agreement are the [Provider of Layered Security] and the [Recipient of security service].

2. AUTHORITY. This Agreement is authorized under the provisions of [applicable Area Maritime Security Committee (AMSC) authorities and/or other authorities].

3. PURPOSE. The purpose of this Agreement is to set forth terms by which [Provider of security service] shall expend Port Security Grant Program project funding in providing security service to [Recipient of security service]. Under requested PSGP grant, the [Provider of security service] must provide layered security to [Recipient of security service] consistent with the approach described in an approved grant application.

4. RESPONSIBILITIES: The security roles and responsibilities of each party are understood as follows:

(1). [Recipient of security service]

Roles and responsibilities in providing its own security at each MARSEC level

(2) [Provider of security service]

- An acknowledgement by the facility that the applicant is part of their facility security plan.
- The nature of the security that the applicant agrees to supply to the regulated facility (waterside surveillance, increased screening, etc.).
- Roles and responsibilities in providing security to [Recipient of security service] at each MARSEC level.

5. POINTS OF CONTACT. [Identify the POCs for all applicable organizations under the Agreement; including addresses and phone numbers (fax number, e-mail, or internet addresses can also be included).]

6. OTHER PROVISIONS. Nothing in this Agreement is intended to conflict with current laws or regulations of [applicable state] or [applicable local Government]. If a term of this agreement is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this agreement shall remain in full force and effect.

7. EFFECTIVE DATE. The terms of this agreement will become effective on (EFFECTIVE DATE).

8. MODIFICATION. This agreement may be modified upon the mutual written consent of the parties.

9. TERMINATION. The terms of this agreement, as modified with the consent of both parties, will remain in effect until the grant end dates for an approved grant. Either party upon [NUMBER] days written notice to the other party may terminate this agreement.

APPROVED BY:

_____ _____

Organization and Title

Appendix F - FY 2016 PSGP Helpful Hints for Applicants

- Are the following components included in the application package?
    - SF-424, SF-424A, SF-424B, SF-LLL
    - IJs for projects
    - Detailed budgets containing only allowable costs and demonstrating cost share
    - Vulnerability assessments/security plan certification (if applicable)
- Are the following items addressed within the IJ narratives and detailed budgets?
    - Do the IJ and the detailed budget only include allowable costs?
    - Are all of the expenses in the detailed budget addressed in the IJ narrative? (For example, a camera equipment budget line item should be addressed in narrative form in the IJ as it pertains to the overall security program.)
    - Does the information in the detailed budget align with the budget summary in the IJ narrative?
    - Are planning and design costs clearly delineated in the budget, as separate from implementation/installation costs? (Planning and design costs may be released before implementation/installation costs, as planning and design costs do not require extensive EHP review.)
- Does the IJ clearly explain how the projects fit into a funding priority area (as identified in Appendix A – FY 2016 PSGP Program Priorities)?
- Does the IJ align with one or more core capabilities in the Goal?
- Does the IJ discuss how this investment will specifically address one or more of the project effectiveness groups identified in the current year's NOFO?
- Does the IJ discuss how this investment will decrease or mitigate risk?
- Is the cost effectiveness of the project clearly explained in the IJ? How does this project provide a high security return on investment?
- Are timelines realistic and detailed?
- Are possible hurdles clearly and concisely addressed?
- Does the M&A total more than five percent (5%) of the total award?