

GRANT AGREEMENT #DTPH56-08-G-PHPS14
“State Damage Prevention Program”

BETWEEN

DIG SAFELY NEW YORK, INC.
5063 Brittonfield Parkway, East Syracuse, NY 13057

AND

U.S. DEPARTMENT OF TRANSPORTATION (US DOT)
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION (PHMSA)
1200 New Jersey Avenue, S.E., Washington, DC 20590

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Article I. Award Information

Section 1.01 Authority

This agreement is entered into between the United States of America, represented by the U.S. Department of Transportation (DOT), Pipeline and Hazardous Materials Safety Administration (PHMSA), and Dig Safely New York, Inc., pursuant to and under Section 2 (State Damage Prevention Programs) of the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 (PIPES Act), Public Law 109-468 (December 29, 2006), codified at 49 U.S.C. §60134.

Section 1.02 Grantee Information

Dig Safely New York, Inc.
5063 Brittonfield Parkway
East Syracuse, NY 13057
DUNS: 010770600
EIN/TIN: 23-7062996

Primary Contact: Kevin Hopper, kshopper@digsafelynewyork.com, (315) 437-7394

Section 1.03 Awarding Agency Information

U.S. Department of Transportation (US DOT)
Pipeline and Hazardous Materials Safety Administration (PHMSA)
1200 New Jersey Avenue, SE
Room E22-301
Washington, DC 20590

Primary Contact: Karina Muñoz, karina.munoz@dot.gov, (202) 366-4059

Section 1.04 Basic Award Information

Funding Opportunity Title: “State Damage Prevention Program”
Funding Opportunity Number: DTPH56-08-SN-0001
CFDA Number: 20.720
Award Type: Grant Agreement
Award Number: DTPH56-08-G-PHPS14
Project Title: New York State Damage Prevention Program
Project Period: July 1, 2008 – December 31, 2008
Grant Amount: \$100,000.00
Funding obligated with Basic Award: \$70,000.00, remaining amount \$30,000.00 will be obligated upon receiving supporting documentation for Project 3.

Appropriation Data: 5172308DA0/2008/50D0204000/PSCOP03000/41050 \$70,000 PR#: 956-08-6019

Article II. Background

Section 2.01 Background

Section 2 of the PIPES Act added a new State Damage Prevention Program Grant program to the Federal Pipeline Safety Law, codified at 49 USC §60134. The purpose of these grants is to establish comprehensive State programs designed to prevent damage to underground pipelines in States that do not have such programs and to improve the quality and effectiveness of damage prevention programs in States that do. Section 60134 sets forth nine elements of an effective State damage prevention program.

Section 2.02 Statement of Purpose

Grants awarded under the State Damage Prevention Program are intended for States to establish or improve the overall quality and effectiveness of their programs that are designed to prevent damage to underground pipeline facilities.

Section 2.03 Specific Objective(s) of the Agreement

Under this grant award Dig Safely New York will implement the use of sound and practical tools to help all stakeholders improve and contribute to New York's damage prevention issues. Specifically, funding will be used for three different projects:

- Project 1 will be used for staff training;
- Project 2 will be used to expand the web application into a more focused Virtual Private Damage Information Reporting Tool (DIRT); and
- Project 3 will involve the development of a state-of-the-art plastic pipe locating device.

Article III. Workscope

Under the terms of this agreement, the Grantee will address the following elements listed in 49 USC §60134 through the actions it has specified in its Application.

- *Element (3):* A process for reviewing the adequacy of a pipeline operator's internal performance measures regarding persons performing locating services and quality assurance programs.
- *Element (7):* Enforcement of State damage prevention laws and regulations for all aspects of the damage prevention process, including public education, and the use of civil penalties for violations assessable by the appropriate State authority.
- *Element (8):* A process for fostering and promoting the use, by all appropriate stakeholders, of improving technologies that may enhance communications, underground pipeline locating capability, and gathering and analyzing information about the accuracy and effectiveness of locating programs.
- *Element (9):* A process for review and analysis of the effectiveness of each program element, including a means for implementing improvements identified by such program reviews.

Article IV. Deliverables

Dig Safely New York will submit the following reports:

- Progress Report;
- Final Report;
- Mid-term Financial Status Report; and
- Final Financial Status Report.

Additional information about the reporting requirements is in Article IX, Reports.

Article V. Delineation of Tasks/Deliverables**Section 5.01 Incorporation of Grantee Application**

The Grantee's application and Project Plan dated **March 22, 2008** and subsequent response providing additional information dated **June 13, 2008** are incorporated by reference into this award.

The Grantee is responsible for accomplishing the objectives, tasks and deliverables of this Grant Agreement, and performing the tasks and the deliverables outlined in the Grantee's Project Plan.

Article VI. Agreement Officials

Refer to the Award Terms and Conditions (Attachment 1), Section 1, for a detailed description of each official's responsibilities below.

Agreement Officer (AO)

Mr. Warren D. Osterberg
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Contracts and Procurement, PHA-30
1200 New Jersey Avenue, SE, E22-103
Washington, D.C. 20590
Telephone: (202) 366-6942
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Agreement Administrator (AA)

Ms. Karina Munoz
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Pipeline and Hazardous Materials Safety Administration
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Fax: (202) 366-7974

E-mail: Karina.Munoz@dot.gov

Agreement Officer's Technical Representative (AOTR)

Mr. Max Kieba
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety
1200 New Jersey Ave, SE, Room E22-319
Washington, DC 20590
Telephone: (202) 493-0595
Fax: (202) 493-2311

E-mail: Max.Kieba@dot.gov

Principal Investigator (PI)

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East Syracuse, NY 13057
Telephone: (315) 437-7394
Fax: (315) 437-2621

E-mail: Kshopper@digsafelynewyork.com

Article VII. Terms and Conditions

The Grantee must comply with and spend funds consistent with all the terms and conditions of this award, including the Award Terms and Conditions in **Attachment 1** and any other terms and conditions spelled out in this document. Attachment 1, Award Terms and Conditions is incorporated into this Agreement.

Article VIII. Special Terms and Conditions

Section 8.01 Modifications

Modifications to this Grant Agreement may be made only in writing, signed by both the Grantee and the Agreement Officer, and specifically referred to as a modification to this Grant Agreement.

Section 8.02 Travel

Any travel necessary to carry out the objectives of this agreement must use the most economical form of transportation available. All travel is to be scheduled sufficiently in advance, to the extent practicable, to take advantage of offered discount rates. Travel and Per Diem authorized under this agreement must be incurred in accordance with the Government Travel Regulations currently in effect. Current per diem rates are listed at: <http://www.gsa.gov/perdiem>.

Article IX. Reports**Section 9.01 Progress Report**

During the performance of the grant, the Grantee must provide a letter-type written report to the AOTR and the AA. The report must include the following:

1. A comparison of actual accomplishments to the objectives established for the period.
2. Where the output of the project can be quantified, a computation of the cost per unit of output.
3. The reasons for slippage if established objectives were not met.
4. Other pertinent information including, when appropriate, actions taken to address the recommendations PHMSA provided in correspondence dated June 5, 2008.

This report must be submitted to the AOTR and the AA in electronic form via e-mail no later than October 31, 2008.

Section 9.02 Final Report

At the end of the grant period, the Grantee must deliver a letter-type final report to the AOTR and the AA that describes the results of all activities undertaken as a result of this grant. The report must include the following:

1. A comparison of actual accomplishments to the objectives established for the period.
2. Where the output of the project can be quantified, a computation of the cost per unit of output.
3. The reasons for slippage if established objectives were not met.
4. Other pertinent information including, when appropriate, actions taken to address the recommendations PHMSA provided in correspondence dated June 5, 2008.

This report must be submitted to the AOTR and the AA in electronic form via e-mail no later than March 31, 2009.

Section 9.03 Mid-term Financial Status Report

During the performance of the grant, the Grantee will submit a mid-term Financial Status Report, Standard Form 269 (SF-269), to report the status of funds. In addition to SF-269, the Grantee should provide the break down of costs for each object class category as stated in SF-424A. This report must be submitted to the AA in electronic form via e-mail no later than October 31, 2008.

Section 9.04 Final Financial Status Report

At the end of the grant period, the Grantee will submit a Final Financial Status Report, Standard Form 269 (SF-269), to report the status of all funds. In addition to SF-269, the Grantee should provide the break down of costs for each object class category as stated in SF-424A. This report must be submitted to the AA in electronic form via e-mail no later than March 31, 2009.

Article X. Consideration and Payment

Section 10.01 Request for Advance/Reimbursement

Payments will be made after receipt of "Request for Advance or Reimbursement," SF-270. Each request must be submitted in an original to the AA, one copy to the AOTR and one copy to the Payment Office listed below:

U.S. Department of Transportation
Federal Aviation Administration, MMAC
Financial Operations, AMZ-150
P.O. Box 269039
Oklahoma City, OK 73126-9039
Attn: Ms. Margaret Gorman
(405) 954-7468

Section 10.02 Approved Project Proposal/Budget

The Grantee's application dated March 22, 2008 and subsequent response providing additional information dated June 13, 2008 are incorporated by reference into this award.

Section 10.03 Payment of Advance/Reimbursement

All Grantees must be registered in the Central Contractor Registration (CCR) in order to receive payments on their invoices. For information on how to register, visit www.ccr.gov.

See Attachment 1 "Award Terms and Conditions" for additional payment requirements.

Article XI. Attachments

Attachment 1 - DTPH56-08-G-PHPS14 - Award Terms and Conditions