



# Notice of Funding Availability

## CDOT Consolidated Call for Capital Projects

### Federal Transit Administration and State of Colorado Funds

October 19, 2018

**PART 1      Introduction**

The Colorado Department of Transportation (CDOT) Division of Transit and Rail (DTR) is issuing a Notice of Funding Availability (NOFA), requesting applications for capital projects to be initiated in 2019.

CDOT has over \$32 million available in Federal and State funds for transit capital projects. Funds may be used for items defined as capital assets by the Federal Transit Administration (see Part 6 for listing).

If selected for award, CDOT’s expectation is that applicants will begin implementing their project no more than six months after announcement of an award.

Applications are due to CDOT by **5:00 p.m. on Friday, December 7, 2018**. **Applications submitted after this deadline will not be accepted.**

Applications will be submitted through COTRAMS. Please note that it appears that there are usually fewer error messages when an applicant uses Google Chrome as their web browser. We recommend that you use Chrome when submitting your application.

Potential applicants are strongly encouraged to read the guidance provided herein, particularly given that two new funding programs are outlined.

**PART 2      Funding**

Grant funds are available through several federal and state transit programs administered by CDOT. The table below lists these funding sources and the estimated or anticipated amount available under each.

<b>Funding Program</b>	<b>Amount Available</b>
<b>FEDERAL PROGRAMS</b>	
<i>FTA Section 5310: Seniors and Individuals with Disabilities</i>	
Rural 5310 (all areas outside of urban areas)	\$370,000
Small Urban 5310 (Boulder, Grand Junction, Greeley, Longmont, Lafayette/Louisville/Erie, and Pueblo)	\$360,000



Large Urban 5310 (Denver)	\$660,000
<i>FTA Section 5311: Rural Public Transit (all areas outside of urban areas)</i>	\$1,000,000
<i>FTA Section 5339: Bus and Bus Facilities</i>	
Small Urban 5339 ((Boulder, Grand Junction, Greeley, Longmont, Lafayette/Louisville/Erie, and Pueblo)	\$1,900,000
Rural 5339 (all areas outside of urban areas)	\$5,310,000
<b>SUBTOTAL</b>	<b>\$9,600,000</b>
<b>STATE PROGRAMS</b>	
<i>FASTER</i>	
Local Competitive	\$4,100,000
Urban Area Set-Asides (Denver, Co Springs, Ft. Collins)	\$3,900,000
<i>Alt Fuel Settlement Program</i>	\$3,600,000
<i>Senate Bill 228</i>	\$2,000,000
Senate Bill 267	\$9,500,000
<b>SUBTOTAL</b>	<b>\$23,000,000</b>
<b>TOTAL</b>	<b>\$32,700,000</b>

\*The Settlement Funds program has \$18 million immediately available, expected to be optimally awarded over a period of five years.

**PART 3      Local match**

Federal and state funds may be used to fund up to 80% of project costs. All awards require a minimum local match of 20%, with some notable exceptions for the Settlement and Senate Bill 267 programs, as detailed later in Part 3. The match must be in cash, except that donated or previously purchased land for a construction project can be used as match if sufficiently documented through a recent appraisal and if not originally purchased with Federal funds.

Local match can come from many sources including state (non-CDOT) or local appropriations, tax revenues, private donations, revenue from service contracts, and income generated from advertising and concessions—provided its use as match is not prohibited or disallowed by that funding source. The local match may also be derived from federal programs that are eligible to be expended for transportation, if derived from other than USDOT programs. Examples of types of programs that are potential sources of local match include employment, training, aging, medical, community services, and rehabilitation services.



State funds administered by CDOT can be used to match a federal grant, providing up to 80% of the required 20% matching funds for the federal grant, provided such funds are specifically approved by DTR. The recipient must still provide a 20% local match for its state-funded award. This means that the local agency is paying only 4% of the total project: 80% federal, 16% state (80% of 20%), and 4% local (20% of 20%). Since this type of funding arrangement rapidly draws down available grant funding and awards fewer projects, CDOT will carefully assess requests of this type. It is CDOT's intention that state funds be used as local match for federal funds only in situations where worthy projects cannot proceed without the additional financial assistance.

CDOT requires written letters of support and commitment from **partners** in a project that will need to make a commitment to the project (e.g., organizations providing some, or all, of the local match, providing land or right-of-way for a project, or agreeing to share a multimodal facility). Applicants should not submit general letters of support, however.

There are two exceptions to the 80%/20% match requirement described above. The State share for the Senate Bill 267 program can be as high as 100%, subject to negotiation between DTR and the applicant, based on the nature of the project. For example, DTR might require the applicant to maintain and plow a facility, or to pay for certain components. The Settlement program also does not require a local match and offers an incentive by awarding a portion of the local match required for State and Federal awards.

If you intend to replace conventionally-fueled (i.e., gas or diesel) vehicles with alternative fuel vehicles (i.e., CNG, electric or propane), there is a new funding option. CDOT is now administering "Settlement" funds—trust funds derived from a legal settlement by an entity alleged to have violated the Clean Air Act. CDOT expects to have approximately \$18 million available from these funds over five years, which can be used to purchase alternative fuel vehicles. More information can be found in Part 12 below.

#### **PART 4      Application Process**

CDOT offers two capital applications: one for **revenue vehicle** grant requests and a second for **other capital** project grant requests (which includes non-revenue vehicles such as service vehicles). Within those two general categories are four subcategories into which each project must fit. The categories/subcategories are as follows:

- A. Revenue Vehicles
  - 1) Conventionally-fueled vehicle replacements
  - 2) Alt fuel vehicles (Settlement program) replacements
  - 3) Expansion vehicles
- B. Other Capital Projects
  - 1) Facilities, equipment, engineering and environmental studies, vehicle rebuilds, and service vehicles and other



If an applicant plans to submit requests for multiple revenue vehicle replacement projects, the applicant may bundle those replacement projects into one single application; requests for multiple replacement and expansion projects, though, must be submitted in two separate applications--one for replacements, one for expansions. **In order to submit applications in more than one subcategory, you will need to request that additional application(s) from Qing Lin, at [qing.lin@state.co.us](mailto:qing.lin@state.co.us).**

The minimum project request is \$25,000, except in cases where an applicant is requesting state funds to be used as local match for a federal program. There is no maximum request, but applicants should take into consideration the amounts available and CDOT's preference to provide some geographic equity.

Applications must be submitted electronically through COTRAMS (<https://cotrams.force.com/cdotcommunity/login>), CDOT's on-line grant management system. If you are a current and active CDOT subrecipient you should have a user ID and password for the website. If you have misplaced your user ID and password to the website, contact system administrator Qing Lin immediately ([qing.lin@state.co.us](mailto:qing.lin@state.co.us)) so that she can reset your login credentials. If you are a current subrecipient and have not had access to the portal, please contact Qing so that she can assist you.

If you are **not** a current subrecipient, you are asked to first complete a **pre-application questionnaire** prior to submitting an application. This questionnaire is intended to determine eligibility prior to submitting an application, as well as the agency's ability to meet DTR's threshold criteria for the grants. This questionnaire will also inform potential applicants of the requirements of DTR funding and indicate which funding programs might be the most appropriate. DTR may also arrange a phone call and possibly an on-site visit so that questions can be answered to make the application process more clear. If it is determined you are eligible and meet threshold criteria, you will be given a COTRAMS ID and user name so that you can apply in COTRAMS. You'll also be given COTRAMS training. Please contact Tom Mauser ([tom.mauser@state.co.us](mailto:tom.mauser@state.co.us)) as soon as possible to obtain the document, since these steps will take time.

## **PART 5    Applicant Eligibility**

In most cases, DTR staff will determine which funding source is best suited to meet your request. DTR staff will use the following applicant eligibility guidelines to make that determination. However, applicants can state their preference in the application for a certain source(s) for a particular project(s).

State funds: Eligible subrecipients of local competitive State FASTER funding assistance are local public and private nonprofit entities, as well as tribal governments, that offer open-door, public transportation, including specialized transportation (service for the elderly and disabled). "Open door" specialized transportation is service available to any elderly and disabled person in need and not limited to a particular clientele or facility. Eligibility for the Settlement and Senate Bill 267 and Senate Bill 228 programs is the same but does require open door service.



Eligible recipients of Senate Bill 267 funds include local public and private nonprofit entities and tribal governments in counties with a population of less than 50,000 as of July 2015.

Federal funds: Applicant eligibility for the FTA programs is similar to that of state funds, but is limited based on each particular program.

Private nonprofit organizations are eligible applicants for most projects funded through the Section 5310 program, though public entities are eligible if (a) the public entity has been named by the State (CDOT) as the coordinating body for specialized transportation in their area or if (b) the public entity certifies there is no available private nonprofit agency providing service. For some projects, eligible applicants also include a local government authority or an operator of public transportation.

These specialized services do not have to be open door, unlike the eligibility criteria for State FASTER funds. However, all things being equal, open door programs will receive a higher priority. Additionally, DTR will not fund “residential” vehicles that are located at housing facilities and have a very limited usage and clientele.

The FTA Section 5311 program is available to public and private nonprofit agencies, as well as tribal governments, providing public transportation in rural areas. Additionally, private intercity bus operators are eligible under the Section 5311(f) program.

The FTA Section 5339 program is available to public and private nonprofit agencies, as well as tribal governments, providing public or specialized transportation; however, applicants for Section 5339 funds in small urbanized areas are limited to the Designated Recipients for Section 5307 funding in those areas (i.e., RTD, Mesa County, and the cities of Pueblo and Greeley); Section 5339 funds for the Denver and Colorado Springs areas are administered by their designated recipients, not CDOT.

Settlement Funds are available to all agencies eligible under any of the programs outlined in Part 5 above for replacement of Class 4-8 vehicles that operate in the State of Colorado.

Applicant organizations must be prepared to be the party that takes full responsibility for carrying out the proposed project. There have been a few instances in which an organization that was awarded funds has requested that the project be transferred to a different organization. CDOT encourages parties to fully consider the most appropriate applicant organization at the beginning of the application process and **not** to assume that CDOT will approve such a significant sponsorship change.

## **PART 6**    **Project Eligibility**

Funding may be used for any items defined as a **capital asset** by the Federal Transit Administration. However, CDOT will **not** accept requests for funding land purchases or office-related equipment, nor for operating or administrative expenses. The types of projects that are designated as capital assets by the FTA, and therefore eligible, include, but are not limited to, the following:

- Rolling stock (buses, vans, train cars, gondola cabins).



- Transit stations, transfer facilities, bus storage and/or maintenance facilities, and other transit facilities.
- Multimodal facilities, such as facilities that accommodate some combination of services of multi-regional or statewide significance, such as regional bus service, Amtrak, and Greyhound/intercity bus service.
- Park and ride facility construction or improvements.
- Technology improvements that enable enhanced transit services in high priority corridors, including signal prioritization and ITS.
- Technology improvements that significantly improve the coordination of human services transportation by means of mobility management tools such as call centers.
- Wayfinding signage between modes (e.g., signage for intermodal facilities, intercity bus stations, Amtrak, park-and-rides, etc.).
- HOV, HOT, queue jump, and bus pull-out lanes, Bus Rapid Transit projects, and bus lanes.
- Bike racks, lockers and bike parking at multimodal stations.
- Enhanced modal connections, such as trails, sidewalks and bike lanes leading to major transit stations, provided they have a transit connection and enhance transit ridership.
- Pre-construction environmental and design projects.

In addition, in the Other Capital Projects application, CDOT will accept applications for major engineering and environmental studies. This would include projects such as preliminary or final design plans and environmental studies. Studies that address operational, marketing or planning topics should instead seek funding through CDOT's separately-solicited FTA Section 5304 program, which normally has a maximum award of \$35,000.

Due to limited funding, CDOT continues to put an emphasis on a fix-it-first approach—that is, giving higher priority to the replacement and refurbishment of buses, facilities, and equipment, rather than on new or expansion capital or planning projects. This does NOT mean, however, that expansion or planning projects will not be funded—only that an applicant seeking funding for expansion projects must make a very strong case, with documented justification and evidence of sustainability, in order to be considered. Replacement requests that do not score well on their merits will not be automatically prioritized higher than expansion equipment or facilities that do score well.

Project eligibility for the Senate Bill 267 program is limited to facility and infrastructure projects that would typically have a useful life of at least 40 years, such as a facility or park and ride.

Project eligibility for the Settlement program is limited to the direct replacement of passenger transit vehicles that are conventionally fueled with (gas or diesel) and Class 4 or higher (over 14,000 pounds), with an alternative fuel vehicle. Also eligible is charging equipment associated



with that vehicle(s), as well as reasonable costs associated with installing that equipment. Further details on eligibility are included in Part 12 below.

## **PART 7 Threshold (minimum) Criteria**

The applicant must have the financial and managerial capability and capacity to manage any funds awarded, as well as demonstrate that it has the resources necessary to operate the project on an ongoing basis. Federal, State and Settlement grants will be awarded on a reimbursement basis; that is, the award recipient must first incur costs before being reimbursed by CDOT, after submitting sufficient documentation of such costs. Therefore, the recipient must have the financial ability and cash flow to incur and pay such costs initially. The applicant must also be willing and able to follow federal and state guidelines in procurement.

It is especially important that the above capability and capacity is specifically addressed by applicants that have not previously received funds through DTR or which have had delays or other problems implementing projects awarded funding by CDOT. These organizations should address their financial and grant management capability and experience, as well as steps taken to correct any past problems, as appropriate.

Projects must be consistent with the most recent Regional Transportation Plan for the applicant's service area. It is recognized that in many cases consistency will be based on being within a corridor vision(s), not by specific mention of the particular project request.

## **PART 8 Evaluation Criteria**

All projects will be evaluated based on the criteria listed below. Projects will be evaluated based on the type of project—that is, based on whether they are rolling stock, facilities, equipment or studies, and, further, whether they are replacements or expansions. Please note that the sub-criteria will not be weighted equally and that some will not be pertinent. For example, if a criterion has four sub-criteria, evaluators do not assign 25% weighting to each; they are given flexibility in assigning scores. One exception is on replacement rolling stock scores, where there are metrics for comparing need. Also, some consideration may be given to geographical equity.

Projects will be evaluated using the following metrics:

### (1) For Replacement of Revenue Vehicles:

Metric 1: The vehicle's State of Good Repair (SGR) - Age, Mileage, Usage, Readiness, including how the vehicle's replacement is projected and prioritized within the agency's or Group Asset Management Plans; higher mileage vehicles will be scored higher than lower mileage units;

Metric 2: Higher scoring will be awarded to applicants that can demonstrate a good state of repair through effective, documented, formal preventive maintenance programs or Transit Asset Management programs, and to those that have and follow a capital replacement plan;



(2) For Expansion of Revenue Vehicles:

Metric 1: Demonstrated Need and Readiness: Higher scoring will be awarded to projects that clearly demonstrate the need for the expanded service in terms of documented ridership or need studies and community support, that demonstrate an effective business case and can demonstrate they are truly ready to implement the expansion;

Metric 2: Special Considerations: For vehicle requests, applicants with a lower fleet spare ratio, who have a capital replacement plan/asset management plan, who can show strong institutional commitment, and who can show a strong financial commitment (higher local match ratio), will be scored more strongly.

(3) For Facilities, Design, and Equipment:

Metric 1: Readiness and Demonstrated Timetable: Higher priority will be given to those that are shovel ready (NEPA clearance finalized, at least 30% design completed, and site location selected and purchased), and to the completion of existing projects.

Metric 2: Project Purpose, Cost Savings, and Efficiency: Higher priority will be given to those projects that: have a high degree of local and regional support; well-developed and defensible business case, and support or provide significant transit operational and utilization benefits.

Metric 3: Special Considerations. Higher scoring in this area will be given to those projects that demonstrate they were developed in partnership with the local community. In the case of requests for the expansion of existing facilities, higher scoring will be applied if the project demonstrates the need for the facility and for growth in the program it supports. Agencies that adequately demonstrate institutional commitment, funding, financial capacity, and capability to sustain the service and project over time will be also be scored more strongly.

(4) For Planning Studies

Metric 1: Project Purpose and Demonstrated Need: The project does not qualify for FTA Section 5303 or 5307 (in urbanized areas) or 5304 funding, is relevant to other transit agencies in the state, has been vetted with the local transit provider, and the study is ready to proceed upon award.



The evaluation criteria for the new Settlement program varies slightly, putting more of an emphasis on the alternative fuel planning and capabilities of the applicant. These are outlined in Part 12 below.

For the SB 267 program, the following evaluation criteria are considered, **in addition to those** described in (3) above. They are as follows:

1. Project Readiness – The project has already undergone a significant level of planning and is ready to proceed in the short term and complete construction in approximately 3 years.
2. Strategic Nature – Project is of regional or statewide significance or is part of a statewide programmatic need.
3. Planning Support – The project is supported by relevant planning documents (Transit Development Program, Intercity Bus Plan, corridor NEPA documents, local plan documents)
4. Statewide Transit Plan Goal Areas – Supports statewide plan goal areas of system preservation and expansion, mobility/accessibility, transit system development and partnerships, environmental stewardship, and economic vitality.
5. Expected Life - The project results in a facility or infrastructure asset that carries an expected life cycle longer than the SB267 financing term of 25 years.
6. Supports Statewide System – Supports a statewide transportation system, with consideration of transportation needs throughout the region and the state.

## **PART 9    Selection Methodology**

A selection committee made up of CDOT staff (DTR, DTD, the Policy and Government Relations Office, Office of Civil Rights) will evaluate and score applications. A recommended list will then be presented to the DTR director for approval. DTR may also solicit input from CDOT’s Region Planners regarding infrastructure, planning and large capital purchase projects; applicants are strongly urged to discuss their projects with their Region Planner. After approval, CDOT and its Regions will take all the steps necessary to set up the projects internally and budget them. Then DTR and Region staff will begin scope of work and contract negotiations with the local agencies. State-funded contracts cannot be executed before the start of Fiscal Year 2019 (July 1, 2019) — unless a project is budgeted with funds from a prior fiscal year.

Applications for Settlement Funding will be reviewed and evaluated by a secondary selection committee consisting of representatives of the State agencies on the intra-agency Settlement Fund steering committee, including the Colorado Department of Public Health and Environment (CDPHE), CDOT, Regional Air Quality Council (RAQC), and Colorado Energy Office (CEO). This



selection committee will review only the applying agencies' alternative fuel implementation plans outlined in the submitted applications and make recommendations for vehicle and related charging equipment Settlement awards.

## **PART 10      Appeals Process**

All applicants will be notified of DTR's funding awards, including those not awarded funding. They are provided a list of projects that were selected, as well as, for transparency purposes, comments indicating the primary reasons an application or project may have received an insufficient score. If an application is denied, the grounds therefore will be given to the applicant. Applicants not awarded funding may reapply in the future for project requests that were denied.

An applicant that is aggrieved by a Department determination may file an appeal with the DTR Transit Programming Unit Manager within 30 days of DTR publishing of the awards. The appeal shall state the nature and basis for the appeal. Any appeal related to alleged discrimination will be reviewed by the CDOT Civil Rights and Business Resource Center. A decision on the appeal shall be issued by DTR management within 30 days of the appeal. If the applicant does not accept the decision, they may request a hearing pursuant to the provisions of Section 24-4-104, C.R.S., as amended, of the State of Colorado Administrative Procedures Act. If a hearing is requested, it will be conducted in accordance with 24-4-105 C.R.S., as amended, before an administrative law judge. The request for a hearing must be made within 60 calendar days after an applicant is notified of the Department's decision. If a subsequent hearing overturns a DTR decision, DTR will take action to modify its decision and awards, which may include revisions to other awards, if necessary, to comply with the ruling.

**(CONTINUED ON NEXT PAGE)**



**PART 11**      **Schedule**

Following is the schedule CDOT will generally adhere to for the CY 2019 project selection process.

Phase	Application/Evaluation/Selection Milestone	Due Date
Notice & Application Development	Call for projects officially broadcast by DTR  Applications Due to DTR on COTRAMS	10/19/2018  12/7/2018
Review, Scoring, and Selection	Initial screening (completeness/eligibility) by DTR  Applications evaluated by review committee  DTR conducts conference call with each CDOT Region regarding projects within their jurisdiction  DTR completes scoring and prepares list of recommended projects; final scores and recommendations submitted to DTR Director	01/18/2019
Award Discussion and Approval	DTR develops list of recommended projects and consults with CASTA regarding the proposed selections  DTR Director finalizes awards	Mid-February 2019  Late Feb 2019
Budgeting and Programming	TIP / STIP policy amendments  CDOT Business Offices set up project budgets  Scope of work drafting, negotiations with local agencies initiated by DTR, Regions	Mar-Apr 2019
Grant Agreements	DTR and Regions negotiate and finalize grant agreements/IGAs.	May-Sept 2019



## **PART 12 Additional Guidance for Alt Fuels Settlement Program**

### **What are the Settlement Funds?**

An automobile manufacturer has agreed to settle allegations that it violated the federal Clean Air Act by selling vehicles that emit more air pollution than the Clean Air Act allows, and by falsifying federal emission tests to hide the excess pollution. Because the affected vehicles exceed emission limits for a pollutant that harms public health and forms ozone or smog, the manufacturer has agreed to place funds in a national trust fund, referred to hereinafter as the Settlement funds, that can be used for a variety of purchases intended to mitigate those harmful pollutants.

States have been awarded Settlement funds. CDOT DTR expects to receive, over a period of about five years, 26% of the State's funds, approximately \$18 million. By agreement, DTR will use these funds for the replacement of conventionally-fueled (i.e., diesel or gas) vehicles with alternative fuel vehicles (CNG, propane, electric). In Colorado, for improved efficiency, funding will flow through existing programs. For DTR, that means the funds for alternative fuel transit buses will become part of DTR's annual Consolidated Call for Capital Projects. Funds will be distributed statewide and there will be no geographic targets or quotas, though CDOT will attempt to achieve some geographic equity, all things being equal.

### **What kinds of projects are eligible?**

The Settlement funds can only be used for the direct replacement of passenger transit vehicles that are conventionally fueled (gas or diesel) and Class 4 or higher (over 14,000 pounds). The funds would be used for the purchase of an alternative fuel (hereinafter referred to simply as "alt fuel") vehicle. Settlement funds cannot be used to purchase hybrid vehicles, though alt fuel vehicles may be awarded to replace existing hybrid gas or diesel vehicles. CDOT will use Settlement funds only for the **incremental** cost of an alt fuel vehicle. That is, for example, for the purchase of a 40-foot coach, Settlement funds can only be used for the cost exceeding the normal cost of a conventionally-fueled 40-foot coach (hereinafter referred to as the "equivalent vehicle"). However, applicants for Settlement funds can request federal or state funds in their CCCP application to cover the cost of the equivalent vehicle—though CDOT is not guaranteeing the award of such funds.

### **Other eligibility criteria include:**

- Only engine model year 2009 or older transit vehicles in Classes 4-8 may be replaced.
- The vehicle identified for replacement must be scrapped (i.e., the vehicle's frame rails must be cut completely in half and a 3-inch hole must be cut in the engine block) for each new alt fuel vehicle that is funded. CDOT must be given the opportunity to witness the scrapping procedure or given other acceptable evidence of such.



- Vehicles identified for replacement must be drivable and must have been registered, operated, and insured in Colorado for the previous two years (to ensure that the program achieves real emission reductions and to prevent abuse).
- Public, private, for-profit, and nonprofit fleets are eligible so long as they meet all applicable eligibility requirements.
- The Settlement is limited to vehicle replacements and will not fund engine repowers or non-OEM conversion kits.
- If Settlement funds are awarded for a new electric vehicle, charging equipment associated with that vehicle(s) may also receive Settlement funds, in an amount not to exceed \$100,000, with no local match required. The funds can be used for the charging equipment as well as reasonable costs associated with installing that equipment, such as underground utility work, building modifications to accommodate the equipment, etc.
- Settlement funds cannot fund CNG or propane fueling infrastructure.

#### **How will CDOT DTR award the Settlement funds?**

DTR will use a combination of existing funds and Settlement funds to incentivize the purchase of alt fuel vehicles. DTR will fund 110% of the incremental cost of a new alt fuel vehicle and may also fund 80% of the cost of the equivalent vehicle with CDOT-administered federal or state funds; however, as pointed out above, CDOT cannot guarantee it will award both alt fuel and equivalent vehicle funding. By providing 110% of the incremental cost, CDOT is essentially reducing the local match amount for the equivalent vehicle award. See the tables below for examples.

There are three basic funding scenarios, as outlined below that could occur with this mix of Federal/State and Settlement funds:

- A. An applicant requests and receives both Settlement funding for the alt fuel vehicle(s) and Federal or State funding for the equivalent vehicle(s).
- B. An applicant requests and receives Settlement funding for the alt fuel vehicle(s) but does not receive Federal or State funding for the equivalent vehicle(s) requested--or which were not requested in the first place.
- C. Applicant requests both Settlement funding for the alt fuel vehicle(s) and Federal or State funding for the equivalent vehicle(s) but is only awarded Federal or State funding for the equivalent vehicle(s). In such a case, the applicant can either decline the award, proceed with purchase of a conventionally fueled vehicle, or use other funding to pay for the incremental cost of an alt fuel vehicle. It will be important for applicants to respond to questions in the application regarding how they would proceed if this scenario were to come into play.

The two tables below illustrate the first two scenarios and calculations showing the amount of awards and local match for CNG and electric vehicles. In each scenario, the equivalent vehicle cost for a 40-foot bus is estimated to be \$500,000, a CNG-fueled vehicle cost is estimated to be \$600,000, an electric vehicle cost is estimated to be \$800,000, and the electric charging cost is estimated to be \$80,000.



**Table A: Settlement Funding Examples with State or Federal Award**

	CNG Bus Funding		Electric Bus and Charging Equipment	
Alt Fuel vehicle cost	\$600,000 CNG bus cost	\$600,000	\$800,000 electric bus cost	\$ 800,000
Electric charging cost	N/A		Electric charging equipment \$80,000	\$ 80,000
Equivalent vehicle cost	Estimated conventional fuel 40-ft bus cost of \$500,000		Estimated conventional fuel 40-ft bus cost of \$500,000	
Federal/State award	\$500,000 times 80% Federal/State share = \$400,000		\$500,000 times 80% Federal/State share = \$400,000	
Settlement award	Incremental bus cost (\$600,000 minus \$500,000) times 110% = \$110,000		Incremental bus cost (\$800,000 minus \$500,000) times 110% = \$330,000, plus 100% of \$80,000 charging cost = \$410,000	
Total awards	Federal/State award \$400,000 plus Settlement award \$110,000 = \$510,000	\$510,000	Federal/State award \$400,000 plus Settlement award \$410,000 = \$810,000	\$ 810,000
Applicant local share	Alt Fuel vehicle cost \$600,000 minus Total Awards \$510,000 = \$90,000	\$ 90,000	Alt Fuel vehicle cost \$800,000 plus charging cost \$80,000 minus Total Awards \$810,000 = \$70,000	\$ 70,000



**Table B: Settlement Funding Examples without State or Federal Award**

	CNG Bus Funding		Electric Bus and Charging Equipment	
Alt Fuel vehicle cost	\$600,000 CNG bus cost	\$600,000	\$800,000 electric bus cost	\$ 800,000
Electric charging cost	N/A		Electric charging equipment \$80,000	\$ 80,000
Equivalent vehicle cost	Estimated conventional fuel 40-ft bus cost of \$500,000		Estimated conventional fuel 40-ft bus cost of \$500,000	
Federal/State award	N/A	\$ -	N/A	\$ -
Settlement award	Incremental bus cost (\$600,000 minus \$500,000) times 110% = \$110,000	\$110,000	Incremental bus cost (\$800,000 minus \$500,000) times 110% = \$330,000, plus 100% of \$80,000 charging cost = \$410,000	\$ 410,000
Applicant local share	Alt Fuel vehicle cost \$600,000 minus Total Awards \$110,000	\$ 490,000	Alt Fuel vehicle cost \$800,000 plus charging cost \$80,000 minus Total Awards \$410,000 = \$470,000	\$ 470,000

**Evaluation Criteria**

As with other replacement vehicle requests, age, mileage and condition will be key factors in evaluating applications. However, another important part of the review of applications will be the applicant’s demonstrated capacity to implement and operate alt fuel vehicles within their fleet, particularly if it is for an electric bus. For example, applicants are asked to describe their long-term alt fuel vehicle plan and timeline for implementation; their agency’s operational considerations; their plan for power delivery; and, their agency’s related financial plan. It will be important for those who propose to use electric vehicles for the first time to address demand charges—that is, the much higher utility rates charged during the peak times that many transit operators would plan to charge vehicles.