

Implementing Diesel Projects Using CMAQ Funds



NTAQS
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What is CMAAQ?

- The Congestion Mitigation and Air Quality (CMAAQ) Program is a federal program that funds transportation projects that will help improve air quality and reduce congestion in non-attainment or miantenance areas.

DVRPC Region



DVRPC Experience

- Each year DVRPC programs \$41M in Highway Program CMAQ funds
 - \$30M in PA and \$1M in NJ
 - Majority of these funds are programmed through the TIP selection process
 - Historically CMAQ funds are used for operations, bike/ped improvements, or transit
 - CMAQ funds for transit are “flexed” from FHWA to FTA in both states

Eligibility and Selection

- CMAQ projects must:
 - Serve transportation function (not recreational trails)
 - Demonstrate an emissions benefit (using approved methodology)
 - Cannot be part of regular scheduled vehicle or fleet replacement
- DVRPC places projects on TIP through a regional selection process (Competitive or TIP Committee)
 - Competitive
 - Allows non-traditional partners to access funding
 - Most common avenue for diesel replacement projects
 - PM_{2.5} reduction projects required by MAP 21, but still need local buy-in to shift resources away from operations improvements towards project with greater PM reductions

DVRPC Experience

- 2015 Competitive CMAQ Program in NJ
 - DVRPC set aside \$3.8M of CMAQ funds for competitive program for years 2016-2019
 - Funded six projects (\$2.2M)
 - Bike/pedestrian imp., alternative fuel transit vehicle, and diesel projects
 - Selected diesel projects include replacement of construction equipment and 9 port forklifts

DVRPC Experience

- 2016 Competitive CMAQ Program in PA
 - DVRPC set aside \$20M of CMAQ funds for competitive program for years 2017-2020
 - Funded 17 projects (\$20.9M)
 - Signal timing and operations, Bike/pedestrian imp., alternative fuel vehicles, and transit enhancement projects
 - Selected alternative fuel projects include replacement of trash trucks and municipal HDDVs.



Project Implementation

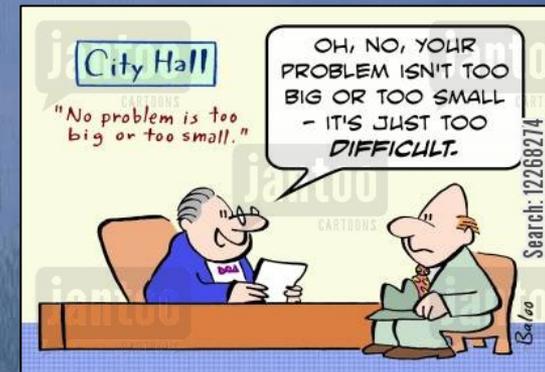
- Project sponsors must be eligible to receive federal transportation funds
 - Funds can be flexed to other federal agency with varying levels of experience flexing between agencies
- Public – Private Partnerships are eligible but FHWA encourages stronger private cost share (i.e 50/50)
- Project must demonstrate public benefit

Project Implementation

- DOTs must document environmental clearance and develop and enter into reimbursement agreements with sponsors before work begins
 - Contracts between DOT and sub-recipients not familiar with federal requirements can protract the process
 - Procedures for managing diesel projects is not well established at DOTs

Challenges for Vehicle Replacement Projects

- All requirements for traditional federally funded transportation projects must be met:
 - Environmental clearance – CE still required even though simple acquisition
 - Design specifications
 - Federal right-of-way acquisition processes, etc.
 - Proscribed competitive bidding process
 - Buy America provisions
 - US DOT has 100% Buy America provision
 - Diesel equipment must be made in U.S. with all domestic parts and domestic labor, down to the bolts
 - Manufacturers must certify that provision is met
 - Waivers becoming more common



Scope

- Award process, contracts, clearances, and cost share take resources and time
- Same effort to manage a replacement project for 1 or 100 vehicles, but
- Larger scope may present cash flow issues for sponsors because CMAQ is a reimbursement program
- Funding process discourages some applicants



Recommendations

- Work with MPO and agencies early in the process and be aware of what will be required
 - Be sure equipment can be Buy America certified or state FHWA office has waiver process
 - Partner with an agency that is familiar with state and federal contracting procedures
 - Be realistic about cash flow needs, partner contributions, and time that it will take to implement project and manage expectations accordingly
 - Make the scope of the project worth the effort

Agency Recommendations

- Start dialogue with DOTs about creating mechanisms for:
 - Documenting environmental clearances
 - Managing diesel, AFV, and infrastructure projects
 - Possibly even creating list of approved equipment and vendors that meet environmental goals and Buy America requirements
- “Bundle” smaller projects to make them more cost effective to manage
- Educate project sponsors about the process and requirements to avoid buyers remorse and help insure project implementation

Contact Information

Thank You

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For more information on DVRPC CMAQ Competitive Selection Process:

www.dvrpc.org/cmaq