

TDM Set-aside Eligibility Rules and Selection Process
Call for FY 2018 and FY 2019 Projects
(Approved by DRCOG Board of Directors – October 2017)

1. Eligibility Requirements – Applicants/Project Sponsors

- a. Project sponsors must be eligible to be direct recipients of federal funds, particularly CMAQ funds. These include local governments, governmental agencies, and non-profits. Private, for-profit companies (e.g., contractors, suppliers, or consultants) are **not** eligible as sponsors/direct recipients of CMAQ funds.
- b. For small infrastructure projects, only local governments, CDOT, RTD, and other governmental agencies are eligible project sponsors. Non-profits and Transportation Management Associations/Organizations (TMA/Os) are not eligible project sponsors for small infrastructure projects, but may partner with a governmental agency. Non-profits and TMA/Os are eligible project sponsors for non-infrastructure projects.
- c. Project sponsors must also be in good standing with the State of Colorado via the Secretary of State’s business database: <http://www.sos.state.co.us/pubs/business/businessHome.html>
- d. All scopes of work must adhere to the federal CMAQ Program Guidance, located at: https://www.fhwa.dot.gov/environment/air_quality/cmaq/policy_and_guidance/2013_guidance/index.cfm and https://www.fhwa.dot.gov/environment/air_quality/cmaq/policy_and_guidance/cmaq13ig.cfm
 - o Through this Transportation Demand Management (TDM) set-aside, DRCOG is funding some – but not all – projects/activities that may be eligible under the federal CMAQ Program Guidance. Additionally, there is a distinction between TDM-related projects/activities DRCOG is funding in this TDM set-aside and the activities listed in the “Travel Demand Management” section of the federal CMAQ Program Guidance (Section VII.F.8). DRCOG TDM set-aside projects/activities encompass several sections and project types of the federal CMAQ guidance.

2. Eligible Projects/Activities Overview

- a. Applications must be for new projects or activities which implement TDM strategies that reduce single occupant vehicle (SOV) travel and ultimately contribute to improving regional air quality and reducing traffic congestion. Applicants must demonstrate how their project/program will have a direct impact on reducing SOV travel, improving air quality, and reducing traffic congestion. If a proposed project is an expansion of a previous project, the applicant must demonstrate how the proposal is distinctly different (i.e., targeted geographic area, population, etc.).
- b. There are two main project categories: infrastructure (capital only) and non-infrastructure (marketing/outreach, etc.). \$2,080,000 is allocated to the TDM set-aside for the Call for Projects over a two-year period, with \$800,000 for small infrastructure projects and \$1,280,000 to all other projects. Additional funding may also be available and may be allocated to infrastructure or non-infrastructure projects. These totals are subject to change depending on the types of applications received and the total amount available. Infrastructure and non-infrastructure projects will be ranked separately from one another.

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3. Eligible Projects - Small Multimodal Infrastructure (Capital)

- a. Bicycle and pedestrian travelway facilities that are not exclusively recreational and reduce vehicle trips
- b. Bicycle parking and supporting infrastructure: mobile bicycle parking, bicycle racks, secure bicycle parking, sheltered parking
- c. Bike share: bicycles and stations only
- d. Wayfinding and signage
- e. Carshare Vehicles: new carshare program or expansion of an existing eligible carshare program
 - o Sponsors must demonstrate an emissions reduction from the new carshare program.
 - o For expansion of an existing eligible carshare program, sponsors must show that the new vehicles will serve distinctly new locations and members.
 - o All vehicle purchases need to have the Buy America waiver secured prior to procurement. Note: FHWA accepts Buy America waiver applications on a quarterly basis and prefers alternatively-fueled vehicles.
 - o Operating assistance is restricted to start-up costs for new carshare programs or the incremental cost of expanding an existing eligible carshare program. Operating assistance includes the costs of providing new or expanded transportation services, including but not limited to: labor, fuel, administrative costs, and maintenance.

4. Eligible Projects - Non-Infrastructure Projects:

- a. Public education, marketing and outreach promoting or expanding use of TDM measures
 - o Marketing-related projects are required to utilize a direct working relationship link to the Way to Go campaign. (Note: Way to Go staff has drafted a comprehensive list of options and ways to collaborate on TDM marketing efforts, and will work one-on-one with each applicant.)
- b. Innovative Projects (Note: See Section 16 of CMAQ Guidance)
- c. Transit fare subsidies: reduced or free transit fare programs (subsidies) are eligible under the following conditions per federal guidance:
 - o Must be for use on days during the typical high ozone season (June to August).
 - o Should be part of a comprehensive areawide air quality program, such as RAQC's "Simple Steps. Better Air." program: <http://simplestepsbetterair.org/>
 - o Should be available to the general public and not limited to specific groups.
 - o Should demonstrate that the proposed fare subsidy will be combined with a robust marketing program to inform SOV drivers of transportation alternatives.
- d. New Transportation Management Association/Organization (TMA/O)
 - o Start-up funding assistance for a new TMA/O cannot exceed two years. A minimum 20 percent of matching funds are required the first year, and 50 percent match in the second year. Additionally, the application must show a commitment of 100% locally derived funds to support the operation of the TMA/O for a third year.
 - o Any new TMA/O seeking funds to start operations must capture a new market not currently served by other TMA/Os.
 - o Per federal guidance, sponsor must show it is an eligible agency (e.g., 501(c)(3), etc.)

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5. Limited-Eligible and Ineligible Project Types

- a. **Incentives of any type are ineligible** including, but not limited to: memberships and subsidies, cash payments or discounts, specialty advertising giveaways such as t-shirts, water bottles, pins, etc.
- b. Stand-alone studies and plans are ineligible.
- c. Funding provided to local government sponsors should not replace existing local funding for staff.
- d. Applicants should not request funding for projects, activities, or services that are currently performed by other agencies or government entities.
- e. Applicants should also not request funding for projects, activities, or services that are currently performed by, or may compete with, the private sector.
- f. Existing TMAs/TMOs participating in the Regional TDM Partnership Program may not submit project elements that duplicate activities outlined in the Regional TDM Program Master Agreement.
- g. Bikeshare and carshare memberships/subsidies are not eligible per FHWA interpretation of CMAQ Guidance.
- h. Stand-alone projects that do not have a direct impact on reducing SOV travel, improving air quality, and reducing traffic congestion are not eligible. (For example, curb cuts or bus pads as stand-alone projects do not have a direct impact on these outcomes).

6. Funding Requirements

- a. Applicants may request funding for up to two years for federal Fiscal Years (FY) 2018 and 2019.
 - o Federal FY 2018 is from October 2017 through September 2018
 - o Federal FY 2019 is from October 2018 through September 2019
- b. Minimum project request – must be for at least **\$80,000** of federal funds, which can be allocated over two years. This minimum reduces the administrative burden of managing numerous small projects.
- c. Maximum individual project request is **\$300,000** over two years.
- d. A local match of at least 17.21% of the total project cost is required (federal TDM Set-aside = 82.79%). It may be a cash or an approved in-kind match contribution; however, a cash match is encouraged as in-kind match contributions are only eligible in certain circumstances. Applicants proposing a 100% cash match will be awarded additional scoring points. CDOT does not track overmatch (cash or in-kind). If a sponsor wants to overmatch the project on their own, they may do so, but without point incentives.

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7. Application Process

- a. Interested applicants will be required to attend a half day of application training sponsored by DRCOG and CDOT.
- b. As part of the application, applicants must provide reasonable information and estimates regarding project **attributes** that will impact the amount of VMT reduced due to the project, for example:
 - For Infrastructure Projects: e.g., (as applicable to the type of project) number of new bike/carshare members, average number of trips per day, number of new bicyclists/transit users as a result of secure bike parking, etc.
 - For Non-Infrastructure Projects: e.g., (as applicable to the type of project) number of new businesses and individuals participating in program, current level of transit service in program area, number of new transit trips or new car/van pool trips, etc.

Applicants must calculate detailed predictions of VMT reduction. The application instructions will provide specific details on what type of information is required.

- c. Non-local government sponsors **must** include documentation of support from the applicable local government(s) where the project is located.
- d. Sponsors of projects involving installation of infrastructure or construction must consider, prior to applying, federal right-of-way rules and procedures when estimating costs, schedule, and funding requests.
- e. All project sponsors must complete a Risk Assessment as part of the application process.
- f. If there are any questions at all about eligibility, please send DRCOG staff your question to address with FHWA.

8. Project Funding Evaluation and Selection Process

- a. DRCOG will establish a Project Review Panel to assist with scoring and evaluating projects. Participants may include:
 - DRCOG Divisions: Transportation Planning and Operations; Communications and Marketing (Way to Go); and Regional Planning and Development
 - CDOT
 - EPA Region 8
 - Colorado Air Pollution Control Division
 - FHWA
 - RTD (if not submitting an application)
 - RAQC (if not submitting an application)
 - Transportation Management Association/Organization (if not submitting an application)
 - Other neutral TDM subject matter experts
- b. Each member of the Project Review Panel will review the applications and assign points to the criteria based on information contained in the project application forms.
- c. The Panel will convene to discuss the applications and reach consensus on the final criteria points and total score for each project.

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- d. The Panel will recommend a list of projects to be funded by the Regional TDM Set-aside.
- e. The list will then be taken through DRCOG committees for review and final approval by the Board.

9. Award Conditions

- a. Each applicant awarded funds will sign an IGA and enter into a contract with either the Colorado Department of Transportation (CDOT), DRCOG, or the Regional Transportation District (RTD) to implement the project depending on the type, location, and other characteristics of the project. CDOT is the ultimate steward of these federal funds.
- b. Each applicant will be required to attend reimbursement training (approximately 4 hours) that defines the documentation required for tracking expenses and requesting reimbursement.
- c. Projects must be completed within two years from the contract start date.
- d. Project sponsors will work with DRCOG, CDOT, RTD (as appropriate), and FHWA/FTA to ensure that the project is being implemented in accordance with federal requirements.
- e. Awardees are required to allocate at least 5-10 percent of their budget to surveys and/or tracking mechanisms to determine project results and benefits. Final project evaluations (reported results) will be due to DRCOG and CDOT upon project completion. Awardees have up to two months after the contract end date to complete and submit the project evaluations.
- f. Reported results must clearly articulate the estimated trips and VMT reduced due to the project. Final reimbursements are contingent upon receiving final project results.
- g. The contracting entity will specify requirements for require status reporting and reimbursement requests.