

Get Connected.
with WESTERN IOWA TRANSIT
public transit

A photograph of a woman with short grey hair and sunglasses, wearing a green jacket and dark pants, walking past a white bus. The bus has its side door open and a metal ramp extended to the ground. The woman is carrying a blue tote bag. The bus has "Get Connected with WESTERN IOWA TRANSIT" written on its side. In the background, there are trees, a red pickup truck, and a "NO PARKING FIRE LANE" sign. The scene is outdoors on a paved area under a clear blue sky.

Federal Fiscal Year (FFY) 2022 Transit
Program (Vehicle Replacement)
Transportation Commission Workshop
January 13, 2023

Summary of Available Funding for FFY 22

5339 State Apportionments + CMAQ FFY22:

– Urban (50-200K population) –	\$1,077,552
– Statewide –	\$ 4,000,000
– Underruns in closed contracts –	\$1,435,998
– CMAQ -	\$3,000,000
– Total Available -	\$9,513,550

Unique issues for FFY 22 – Significant Bus Cost Increases

- In early summer 2022, bus vendors notified Iowa public transit agencies their bus purchase contracts would be cancelled because the vendors could not provide the product at the previously agreed upon price
 - Bus vendors participating in Iowa DOT's statewide vehicle procurements
 - These prices had been set in December 2021 through a statewide vehicle procurement.
 - Procurement included 'Force Majeure' clause
 - The pandemic-related supply chain issues was deemed a Force Majeure, allowing the vehicle vendors to cancel contracts and update contract pricing.
 - This type of cancellation happened to states and transit agencies nationwide.

Iowa DOT's approach to address this was two-fold.

- **First** – update the prices on the bus procurement so transit agencies could again enter into contracts with the bus vendors
- **Second** – address the funding gap between the amount of federal money transit agencies held in contract with the Iowa DOT and the new, higher costs of the buses.

Iowa DOT consulted with the Federal Transit Agency on this approach and gathered input from Iowa's public transit agencies.

FFY 2022 Transit Program (Vehicle Replacement)

Proposal for FFY 22

Use the FFY2022 FTA 5339 Formula Grants plus the FY2022 CMAQ funds to help cover the funding shortfall on open vehicle contracts.

State Apportionments + CMAQ FFY22: **\$9,513,550**

Shortfall in existing bus contracts: **\$8,851,083**

Note: after the Commission workshop in December 2022, the shortfall amount was updated to reflect the 80% or 85% federal funding ceiling.

- All public transit agencies with vehicle replacements under contract with the Iowa DOT were sent a list of their affected vehicles and the proposed shortfall funding to decline or accept. Their responses were due by January 4, 2023.
- Transit agencies can determine if they would prefer to pay the higher local match or return the money on the original contract and place the vehicle back on the replacement list for later formula funding selection.

Summary

Iowa DOT staff recommends providing shortfall funding to 189 vehicles for a total of \$6,521,810. This leaves \$2,991,740 still available for allocation and will be added to the FY23 vehicle replacement list for consideration by the Commission later this year. If approved, the transit agencies will be issued new or amended contracts including the shortfall coverage amounts as soon as possible. See Commission Order for complete list.

- Total funds available: **\$9,513,550**
- Total funding recommended for programming for shortfall: **\$ 6,521,810**
- This shortfall funding will be provided to twenty-four transit systems for 189 vehicles



Questions?



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