



600 Massachusetts Avenue, NW, Suite 250, Washington, DC 20001

February 12, 2024

Hydrogen Fuel Cell Bus Council Low - No Bus NOFO Update

Summary of FY2024 Notice of Funding Opportunity for the Low or No Emission Grant Program and the Buses and Bus Facilities Grant Program

[Link to NOFO](#)

FTA [Webinars](#) for potential applicants: Feb 22nd at 1pm ET, March 5th at 2pm ET

Deadline: April 25, 2024

Summary

The Federal Transit Administration (FTA) announced the opportunity to apply for \$1.10 billion in competitive grants under the FY2024 Low or No Emission Grant Program (Low-No) and \$390 million in competitive grants under the FY 2024 Buses and Bus Facilities Program (BBF).

Low-No funds will be awarded to states and territories, local government authorities and tribal governments for the purchase or lease of zero and low emission transit buses as well as acquisition, construction, and leasing of required supporting facilities such as recharging, refueling, and maintenance facilities. There is a 25% set aside for low emission projects. For FY2024 that amounts to \$275,990,941 of the total Low-No Program. Low emission buses include CNG and hybrid buses.

BBF funds will be awarded to eligible applicants to replace, rehabilitate, purchase or lease transit buses, vans, or other equipment and rehabilitate, purchase, construct, or lease bus-related facilities regardless of propulsion type or emission. Under federal law a minimum of 15 percent of the amount awarded under the BBF Program will be awarded to projects located in rural areas, and no single grant recipient will be awarded more than 10 percent of the total amount made available.

FY23 Low-No Applicants	FY23 Low-No Funds	FY23 BBF Applicants	FY23 BBF Funds
210 Applied	\$4.2 billion sought	265 Applied	\$4.5 billion sought
83 Funded	\$1.2 billion provided	47 Funded	\$470 million provided

Both are highly competitive programs, but as you can see the BBF grant program has significantly less money and more applications.

Cost Share

The maximum federal cost share for these programs is 80%. However, for acquiring or leasing vehicles under these programs for the purpose of complying with or maintaining compliance with the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA) the cost share is 85% for vehicles. The maximum cost share for vehicle related equipment or facilities to comply or maintain compliance with



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CAA or ADA is 90%. Recipients must itemize the cost of specific, discrete, vehicle-related equipment or facility components associated with compliance with the CAA or ADA to be eligible for the maximum 90 percent. Cardinal recommends applicants reach out to their state environmental agency for clarity on where their individual locale ranks on CAA compliance.

<https://www3.epa.gov/airquality/greenbook/astate.html>

Workforce

Additionally, recipients are permitted to use up to 0.5 percent of their requested grant award for workforce development activities eligible under federal public transportation law. For applicants proposing projects related to zero-emission vehicles for either program, 5 percent of the requested federal award must be used for workforce development activities. Exemptions are made if an applicant can justify a lower amount.

How to Apply

Applications may be submitted to both programs, or only to one of the two. However, applications submitted to both must be eligible in its entirety under both programs. FTA will exercise its discretion to determine under which program the project will receive an award. If submitting to both programs, the application package must be submitted twice at *GRANTS.GOV* to each specific funding opportunity.

New Administration Priorities for FY2024 Applications

As previously indicated in HFCBC webinars and emails, this year's NOFO adds two new components to the Administration priorities to help curtail costs of acquisition and assist in maintaining a robust U.S. bus manufacturing base. These new priorities will be given greater consideration than the other priorities common in recent NOFOs.

Reduced Customization and Joint Procurement

Priority will be given to projects that minimize customization of the vehicles to reduce cost. With the current strain on bus OEMs (several have folded or left the marketplace) and more Congressional focus on deficit reduction, FTA sees reduced customization and joint procurements as a tool that they can offer to help alleviate the supply chain impacts on bus OEMs. FTA also believes this will allow for more buses to be purchased using grant dollars, making it easier to demonstrate success to Congress and justify continued funding of one of their premier grant programs.

FTA will provide priority consideration to applicants that identify an intent for a joint procurement with at least three transit agencies using a common specification; or, for low and no emission projects where the applicant proposes a vehicle OEM as a project partner including a letter from the vehicle OEM that certifies the applicant will use the OEM's standard model.

To that effect, if your transit agency anticipates applying for a Low-No Bus grant this spring and would be interested in exploring the possibility of a joint procurement, then please join the [HFCBC Joint Procurement Initiative](#). The HFCBC will host a forum for interested transit agencies to explore whether



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three or more agencies have similar bus needs and are willing to enter a joint procurement agreement. Applicants that join a joint procurement will highlight that in their Low-No Bus application to increase the competitiveness of their application.

From our experience, joint procurements work well when agencies can find as much common ground on bus specifications as possible. Fare boxes and wrap colors will always be different, but aligning RFP specifications to the greatest extent possible will increase the benefit of a joint procurement and make one's Low-No Bus grant application much more competitive.

Progress and Advance Payments

To strengthen the American vehicle manufacturing industry and reduce the financial burden the industry currently faces, FTA will give priority consideration to applicants that identify their intent to use contract terms that provide funding to vehicle OEMs earlier in the production process, either by using advance payments or progress payments. For applicants that identify their intent to use advance payments, FTA will not require securitization beyond the advance payment amount. The applicant should identify how their proposed contracting terms will expedite payments to vehicle OEMs. FTA also intends to weight this priority consideration greater than others. The contract terms of selected applications may be reviewed by FTA prior to award.

[February 7, 2024 FTA Dear Colleague on Advanced Payments](#)

<https://www.transit.dot.gov/funding/procurement/bus-procurement>

Other Administration Priorities for FY2024 Applications

Addressing Climate Change & Sustainability

Priority will be given to projects that are expected to create the largest benefit for the community and its environment. Low-No Emission projects obviously score well in this category. FTA will give priority consideration to applications that identify greater emission reductions. We recommend using the FTA Bus and No-Low Emission Reduction Calculator to demonstrate their emission reductions.

Justice 40 Initiative

Priority will be given to projects that benefit historically disadvantaged communities. Applicants may use DOT's Transportation Disadvantaged Census Tracts (arcgis.com) tool to identify whether the project impact area encompasses disadvantaged communities:

<https://www.transportation.gov/grants/dot-navigator/equity-and-justice40-analysis-tools>

Workforce Development

Priority will be given to applicants that demonstrate a commitment to workforce development, job quality, wealth development.



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Basic Project Review Criteria

Applicants need to score “highly rated” in all six of the merit criteria to be competitive.

Demonstration of Need

Applicants must demonstrate a need for capital investment in vehicles or supporting equipment and facilities to improve the current fleet or service. For example, an applicant may demonstrate that it requires additional or improved charging or maintenance facilities for low or no emission vehicles, that it intends to replace existing vehicles that have exceeded their minimum useful life, or that it requires additional vehicles to meet current ridership demands or expand services to better connect underserved communities.

Demonstration of Benefit

Low No applicants must demonstrate how the project will reduce energy consumption, reduce harmful emissions, and reduce direct carbon emissions.

BBF applicants must demonstrate how the project will improve the safety of the transit system; improve the condition of, or otherwise modernize, the transit system; and enhance access and mobility within the service area, including improving reliability of service for riders, particularly for low-income or underserved communities and people with disabilities.

Planning and Local/Regional Prioritization

Applicants must show how the project meets local and regional long term planning documents and priorities. Applicants may include support letters from local government officials, public agencies, and non-profit or private sector supporters.

For applications related to zero-emission vehicles the applicant must submit a Zero-Emission Fleet Transition Plan that outlines:

1. A long-term fleet management plan with a strategy for how the applicant intends to use the current application and future acquisitions.
2. Availability of current and future resources to meet costs for the transition and implementation.
3. Policy and legislation impacting relevant technologies.
4. Evaluation of existing and future facilities and their relationship to the technology transition.
5. Description of the partnership of the applicant with the utility or alternative fuel provider.
6. Impact of the transition on the applicant's current workforce by identifying skill gaps, training needs, and retraining needs of the existing workers.

Transition plans don't need to be over complex. FTA provides resources for developing plans at

<https://www.transit.dot.gov/funding/grants/zero-emission-fleet-transition-plan>

Local Financial Commitment

Applicants need to identify the funding source for local cost share, and if that funding is currently available or will need to be secured upon selection. Evidence of local funding can be a board resolution, letter of support by the State, or other documentation.



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Project Implementation Strategy

Applicants that show the ability to obligate funds within 12 months of selection are rated higher. The applicant should demonstrate how the project can be implemented within a reasonable timeframe. Here is where any partnership with manufacturers, vendors, or other providers should be listed. It is important to detail the qualifications and experience of named partner(s). This section allows named partners to bypass the normal procurement process.

Technical, Legal, and Financial Capacity

Applicants must show the technical, legal and financial capacity to undertake the project. This will be boilerplate language you have already.