

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

17

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

Bureau of Operations
August 13, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

Christopher T. Sununu 8/13/18
Approved by Fiscal Committee Date

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the New Hampshire Department of Transportation to accept and expend revenue in the amount of \$106,250 from New Hampshire Department of Environmental Services for the New Hampshire Clean Diesel Emissions Reduction Program upon the date of Fiscal Committee and Governor and Council approval through March 31, 2019. 100% Agency Income (Federal DERA Funds).

In SFY 2019, funds shall be accepted and expended within 04-096-096-960515-30050000 -- Mechanical Services, as follows:

04-096-096-960515-30050000 Mechanical Services	FY 2019 Budget	Requested Change	FY 2019 Revised Budget
Expenses:			
010 500100 Personal	\$3,958,412	\$0	\$3,958,412
017 500147 PT Employees Special Payment	24,840	0	24,840
018 500106 Overtime	60,000	0	60,000
019 500105 Holiday Pay	1,500	0	1,500
020 500200 Current Expense	3,255,785	0	3,255,785
022 500257 Rents-Leases Other than State	29,001	0	29,001
023 500264 Heat Electricity Water	38,198	0	38,198
024 500225 Maint Other Than Bld & Grounds	415,548	0	415,548
026 500251 Organizational Dues	500	0	500
028 582814 Transfers to General Services	375,219	0	375,219
030 500311 Equipment New Replacement	3,502,856	106,250	3,609,106
037 500174 Technology-Hardware	4,604	0	4,604
038 500175 Technology-Software	137,097	0	137,097
039 500180 Telecommunications	30,200	0	30,200
046 500416 Consultants	199	0	199

047 500240 Own Forces Maint Bld & Grounds	43,470	0	43,470
048 500226 Contractual Maint Bld & Grounds	114,609	0	114,609
057 500531 Books Periodicals Subscriptions	800	0	800
060 500601 Benefits	2,492,397	0	2,492,397
066 500543 Employee Training	8,450	0	8,450
070 500704 In State Travel Reimbursement	1,000	0	1,000
080 500710 Out of State Travel Reimbursement	10,875	0	10,875
103 500741 Contracts for OP Services	6,500	0	6,500
Total	\$14,512,060	\$106,250	\$14,618,310
Source of Funds			
Revenue:			
004 403631 Intra-Agency Transfers	\$826,000	\$0	\$826,000
007 407073 Agency Income	400,000	106,250	506,250
009 405698 Agency Income	229,814	0	229,814
000 000015 Highway Fund	13,056,246	0	13,056,246
Total	\$14,512,060	\$106,250	\$14,618,310

EXPLANATION

The Department requests authorization to accept and expend the proceeds from a New Hampshire Department of Environmental Services Federal Diesel Emission Reduction Act (DERA) Grant in the amount of \$106,250 to be used towards the replacement of one bridge knuckleboom crane truck and one equipment-hauling tractor trailer used for bridge and highway maintenance throughout the State of New Hampshire.

Total Project Cost: \$425,000
NH DES Funds Requested: \$106,250
NHDOT Budgeted Match: \$318,750

The NHDOT proposes to replace the following vehicles to improve fuel efficiency and emissions control:

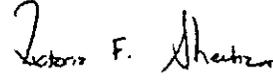
- 1 - 2002 bridge knuckleboom crane truck. This vehicle is a critical piece of equipment for NHDOT Bridge Maintenance crews as they repair bridges and culverts. Based on current equipment funding and Department priorities, the replacement of this crane truck is not foreseen in the next 5-7 years.
- 1 - 2000 equipment-hauling tractor trailer. This truck moves NHDOT equipment around the state as well as picking up damaged or broken equipment for transport back to one of NHDOT's repair facilities. Based on current funding and Department priorities, the replacement of this truck is not foreseen in the next 5-7 years.

Equipment replaced as a result of the NH Clean Diesel Program will be disabled by fracturing or penetrating the engine block to create a minimum 3-inch hole and cutting the frame into at least two pieces rendering it unusable and irreparable. The decommissioning of these vehicles will be coordinated with Department of Administrative Services – State Surplus prior to the new vehicles being placed in service.

The U.S. Environmental Protection Agency (EPA) has established low-emission standards for new diesel engines that will power the Department's heavy fleet including construction equipment.

Your approval is respectfully requested.

Sincerely,

A handwritten signature in black ink that reads "Victoria F. Sheehan". The signature is written in a cursive style with a large initial "V".

Victoria F. Sheehan
Commissioner



The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner



PO 1061499

His Excellency, Governor Christopher I. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

March 1, 2018

APPROVED G & C

DATE 5/2/18

ITEM # 64

REQUESTED ACTION

Authorize NHDES to enter into a Memorandum of Agreement with the NH Department of Transportation (NHDOT, vendor # 177927 B001), Concord, NH in the amount of \$106,250 for partial funding of diesel vehicle replacements, effective upon Governor and Council approval through March 31, 2019. 100% Federal Funds.

WK 10613321
RQ 184233

Funding is available in the account as follows:

03-44-44-443010-2278-072-500572
Dept. of Environmental Services, DERA Funds, Grants Federal

FY 2018
\$106,250

EXPLANATION

Under the Diesel Emission Reduction Act (DERA), the U.S. Environmental Protection Agency (EPA) provides funding to states for projects that reduce harmful emissions produced by older diesel engines, including replacement of vehicles. The replacement vehicles must meet more stringent emissions standards. Federal fiscal year (FFY) 2017 EPA funding provided a total of \$225,984 for the grant period October 1, 2017 to September 30, 2018. On October 1, 2017 NHDES issued a competitive Request for Proposals (RFP) for DERA eligible projects for this grant period.

Seven entities applied for federal funds for ten projects in response to the RFP. Four proposals were approved for funding (see Attachment A for the scoring results). NHDOT requested partial funding for the replacement of a crane truck and a tractor trailer, each of which was scored separately, and was approved for funding.

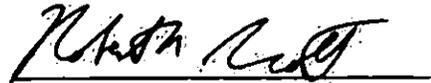
The mandatory cost share requirements of the DERA grant indicate that the funding for replacement vehicles is capped at 25 percent unless the vehicle is a drayage vehicle which is allowed funding of up to 50 percent of replacement costs. A drayage vehicle is defined as any Class 8 (Gross Vehicle Weight Rating greater than 33,000 pounds) highway vehicle operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading, or transporting cargo, such as containerized, bulk, or break-bulk goods. Under the terms of the MOA between NHDES and NHDOT, NHDES will provide funds not to exceed \$106,250 or 25 percent, whichever is less, of replacement cost for the crane truck and tractor trailer.

0555000

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
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This agreement has been approved as to form, substance, and execution by the Office of the Attorney General. In the event that the Federal funds become no longer available General funds will not be requested to support this program.

We respectfully request your approval.



Robert R. Scott
Commissioner

**MEMORANDUM OF AGREEMENT
BETWEEN
NH DEPARTMENT OF ENVIRONMENTAL SERVICES,
AIR RESOURCES DIVISION
AND
NH DEPARTMENT OF TRANSPORTATION**

Title:

NH Clean Diesel Program Agreement with New Hampshire Department of Transportation – Crane and Tractor Trailer Replacement Project (Grant Number: 00A00032-2017-002).

Purpose:

The purpose of this Memorandum of Agreement (MOA) is to provide funding not to exceed \$106,250 from New Hampshire Department of Environmental Services (hereinafter NHDES) to the New Hampshire Department of Transportation (hereinafter NHDOT) to partially fund the replacement of a crane truck and a tractor trailer truck, in order to reduce diesel emissions in the State. The grant is available via the New Hampshire State Clean Diesel Grant Program, funded by the U.S. Environmental Protection Agency (EPA). This grant was awarded to NHDES on September 20, 2017.

Grant Title:

Subgrant Program for Diesel Emissions Reduction Projects, Federal Award Identification Number (FAIN): 00A00032, CFDA 66.040, State Clean Diesel Grant Program. Grant contact at NHDES: Jessica Wilcox (603) 271-6751

Parties:

The parties to this agreement are NHDES NHDOT.

Scope of Work:

For the purposes of this Agreement, NHDES and NHDOT agree to the following:

1. NHDES shall assign the appropriate staff to coordinate this project with NHDOT.
2. This Scope of Work consists of two projects 1) the purchase one bridge knuckleboom crane truck as a replacement for a model year (MY) 2002 bridge knuckleboom crane truck and 2) the purchase of one tractor trailer truck as replacement for a MY 2000 equipment hauling tractor trailer.
3. The replacement trucks will be powered by a MY 2017 or newer EPA certified heavy-duty diesel engine.
4. The replacement trucks must be of the same vehicle class as the original trucks and operate in the same manner over similar routes as the replaced trucks.

5. NHDES shall reimburse NHDOT 25 percent of the eligible expenses, or \$37,500.00 for the tractor trailer truck and \$68,750.00 for the crane truck, whichever is less.
6. Eligible expenses under this grant include the cost of the two trucks only.
7. Other expenses including, but not limited to "optional" components or "add-ons" (such as racks, light tool boxes, etc.) to the vehicles, vehicle registration, scrapping of replaced vehicle, engineering, project management, or personnel costs are not eligible expenses.
8. NHDOT shall provide NHDES with the following information on the trucks to be replaced prior to purchasing the new vehicles:
 - a. Annual miles driven
 - b. Annual fuel use and fuel type
 - c. Annual idling hours
 - d. Vehicle Identification Number (VIN)
 - e. Engine Model Year
 - f. Gross Vehicle Weight Rating (GVWR)
 - g. Vehicle Class
 - h. Engine Manufacturer
 - i. Engine Serial Number
 - j. Description of routes or typical use
9. The replaced trucks shall be taken out of service no later than 15 days following the placement into service of the replacement vehicles.
10. The replaced trucks will be scrapped within 90 days from the date the replacement is put into service.
11. NHDOT shall use the replacement trucks in normal service for a period of no less than five (5) years. In the event that NHDOT sells or surpluses the replacement trucks within five years of the effective date of this contract NHDOT shall follow the guidelines set forth in Title 2 Code of Federal Regulations, Subtitle A, Section 200.313, and shall reimburse the NHDES in accordance with the depreciation table below.

Project: NHDOT Crane Truck Replacement Grant			
	Percent Value Remaining	Total Grant	Value to be Returned to NHDES
Year 1 value	20	\$68,750.00	\$13,750.00
Year 2 value	16	\$68,750.00	\$11,000.00
Year 3 value	12.8	\$68,750.00	\$8,800.00
Year 4 value	10.2	\$68,750.00	\$7,012.50
Year 5 value	7.6	\$68,750.00	\$5,225.00

Initials JFA
Date 2/23/14

**Project: NHDOT Tractor Trailer Truck Replacement
Grant**

	Percent Value Remaining	Total Grant	Value to be Returned to NHDES
Year 1 value	20	\$37,500.00	\$7,500.00
Year 2 value	16	\$37,500.00	\$6,000.00
Year 3 value	12.8	\$37,500.00	\$4,800.00
Year 4 value	10.2	\$37,500.00	\$3,825.00
Year 5 value	7.6	\$37,500.00	\$2,850.00

Note: Depreciation of grant is calculated based on a grant of \$68,750.00 for the crane truck and \$37,500.00 for the tractor trailer.

12. NHDOT shall:

- a. Register the replacement trucks in accordance with New Hampshire law;
- b. Maintain the replacement trucks in accordance with manufacturer recommendations;
- c. Not make modifications to the emission controls system on the replacement trucks or engines; and
- d. Make the trucks and related documents (including maintenance records) available for follow-up inspection for five years from date of grant approval, if requested by EPA or NHDES.

13. NHDOT shall scrap the trucks being replaced or render them permanently disabled. NHDES shall be allowed the opportunity to witness the destruction of the engines and the chassis with a two week (minimum) advance notice of the event. The replaced trucks may be permanently disabled by:

- a. Drilling a minimum 3" diameter hole completely through the engine blocks; and
- b. Cutting the chassis rails in half.

14. NHDOT shall supply documentation confirming the scrappage requirements have been met for the trucks. The letter must be signed by the authorized representative listed on the grant application form. The letter must include, for each vehicle:

- a. The date the trucks were scrapped;
- b. The engine model year, engine family name, engine serial number, and VIN;
- c. The name and contact information for the entity that scrapped the trucks, if other than the grantee; and
- d. Photographic images of the following, for each truck:
 1. Side profile of the truck;
 2. Vehicle Identification Number (VIN);
 3. The engine tag that includes the engine serial number and engine family number (if available);
 4. Chassis rail cut in half;
 5. Engine block prior to hole being drilled; and
 6. Engine block after hole has been drilled.

Scrappage may be completed by NHDOT or by a salvage yard or similar service, provided all scrappage requirements have been met and all necessary documentation provided.

15. NHDOT shall submit **Quarterly Project Status Reports** to NHDES within 15 days after the end of the each calendar quarter, beginning the Effective Date of the Agreement for a period of one year following vehicles acquisition. Quarterly Project Status Reports shall include sufficient information for NHDES to estimate the emissions reductions attributable to the truck's replacement, including the following for each vehicle:

- a. The amount of fuel used during the preceding quarter;
- b. The number of miles the vehicle was used in the preceding quarter; and
- c. The estimated amount of idling experienced in the preceding quarter.

16. NHDOT shall submit **Annual Project Status Reports** to NHDES by January 15th of each year, beginning one year from the last quarterly report, for a period of three years including, but not limited to, the following for each vehicle:

- a. The amount of fuel used during the preceding year;
- b. The number of miles the vehicle was used in the preceding year;
- c. The number of equipment usage hours from the preceding year if the vehicle performs stationary work; and
- d. The estimated amount of idling the vehicle experienced in the preceding year.

17. NHDOT shall not use grant funds for any costs not specified in this scope of work. NHDOT shall complete all activities, reports, and work products specified herein.

Funding:

This project is funded by the EPA under the New Hampshire State Clean Diesel Grant Program.

1. Payments under this MOA are not to exceed \$106,250 or 25 percent of eligible project costs per project, whichever is less.
2. NHDES will reimburse NHDOT for the above portion of eligible expenses provided NHDOT is in compliance with all recordkeeping and reporting requirements in the Scope of Work.
3. Invoices may be submitted for reimbursement upon payment and shall include the following:
 - a) Payment request on NHDOT letterhead with the following information for the replacement vehicles:
 1. Vehicle Identification Number (VIN);
 2. Engine and vehicle model year;
 3. Engine and vehicle manufacturer;
 4. Engine serial number;
 5. Vehicle class;
 6. Fuel type; and
 7. Cost.
 - b) A copy of all vendor invoices;

- c) Documentation verifying payment;
 - d) A copy of the new truck registration;
 - e) Proof of scrappage as per the Scope of Work (items 13-14); and
 - f) Contact information for any questions related to reimbursement requests.
4. NHDES will process complete invoices within 30 days of receipt.
 5. Invoices must be submitted by March 15, 2019. Requests submitted after this date may be denied.
 6. All obligations of NHDES and the State of New Hampshire are contingent upon availability and continued appropriation of funds for the services.

Termination:

1. This Agreement may be terminated for good cause by either of the parties or for convenience if both parties agree, with the provision for orderly termination of the project. Termination of the Agreement shall not occur until thirty (30) days after a "notice of termination" has been received by the other party. Said notice shall specify the cause for termination.
2. Should NHDOT terminate this Agreement for other than good cause prior to completion of all obligations specified in the scope of work, NHDOT will reimburse the NHDES for any funds received.

Duration:

This agreement will become effective upon approval by Governor and Council. The project completion date is March 31, 2019, with additional reporting requirements through August 2022.

Agreement:

In WITNESS THEREOF, the parties hereto have executed this agreement, which shall become effective on the date the Governor and Executive Council of the State of New Hampshire approve the agreement.


Victoria F. Sheehan, Commissioner
NH Department of Transportation

02/23/2018

Date


Robert R. Scott, Commissioner
NH Department of Environmental Services

3/7/2018

Date

OFFICE OF THE ATTORNEY GENERAL

By: 
Assistant Attorney General

Date: March 14th, 2018

I hereby certify that the foregoing agreement was approved by the Governor and Council of the State of New Hampshire at their meeting on _____.

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

ATTACHMENT A
2017 New Hampshire Clean Diesel Grant Program
Applications and Funding Amounts

Grant Applicant	Location/Town	Funding Amount	Score
Town of Farmington	Farmington, NH	\$38,750.00	77
NHDOT - Tractor Trailer	Concord, NH	\$37,500.00	75
NHDOT - Crane	Concord, NH	\$68,750.00	70
S&J - Vehicle 234	Lee, NH	\$30,000.00	70
Town of Tuftonboro	Tuftonboro, NH	Not Funded	69
S&J - Vehicle 235	Lee, NH	Not Funded	69
Town of Northwood	Northwood, NH	Not Funded	69
S&J - Vehicle 247	Lee, NH	Not Funded	68.5
Taylor Phillips	Rye, NH	Not Funded	59
Town of Hancock	Hancock, NH	Not Funded	58

Criteria	Possible Points	Farmington	NHDOT - Trailer	NHDOT - Crane	S&J - 234
% operate in NH	15	15	15	15	5
Proximity to populated areas and sensitive receptors	20	15	15	15	20
Miles/Hours per year	10	4	4.5	3	10
Prior project experience or demonstrated ability to complete grant	5	4	5	5	5
Percent reduction in emissions	15	14.5	14	14.5	12
Total reduction in emissions	12	3.5	3.5	3	4.5
Cost Effectiveness	13	11	11	7.5	12.5
Other benefit*	10	10	7	7	1
Total	100	77	75	70	70

*Other benefits include: Tax payer savings; additional environmental benefits; small business; etc.

ATTACHMENT A (CON'T)

Criteria	Possible Points	Tuftonboro	S&J -235	Northwood
% operate in NH	15	15	5	15
Proximity to populated areas and sensitive receptors	20	15	20	10
Miles/Hours per year	10	2.5	9	4.5
Prior project experience or demonstrated ability to complete grant	5	4	5	4
Percent reduction in emissions	15	14.5	12	14
Total reduction in emissions	12	3	4.5	2.5
Cost Effectiveness	13	8	12.5	9
Other benefit*	10	7	1	10
Total	100	69	69	69

Criteria	Possible Points	S&J-247	Taylor Phillips	Hancock
% operate in NH	15	5	10	15
Proximity to populated areas and sensitive receptors	20	20	5	12
Miles/Hours per year	10	9	5	2
Prior project experience or demonstrated ability to complete grant	5	5	4	4
Percent reduction in emissions	15	12	6	15
Total reduction in emissions	12	4	12	2
Cost Effectiveness	13	12.5	13	1
Other benefit*	10	1	4	7
Total	100	68.5	59	58

*Other benefits include: Tax payer savings; additional environmental benefits; small business; etc.

Reviewer/Selector

Name	Agency/Organization	Title	Years of Experience
Elizabeth Strachan	NHDES Air Resources Division Technical Services Bureau Mobile Source Section	Transportation Analyst	1
Timothy White	NHDES Air Resources Division Technical Services Bureau Mobile Sources Section	Supervisor of Mobile Sources Section	2
Rebecca Ohler	NHDES Air Resources Division Technical Services Bureau Mobile Sources Section	Administrator of Technical Services Bureau	29



Victoria F. Sheehan
Commissioner

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



William Cass, P.E.
Assistant Commissioner

April 20, 2018

Robert Scott, Commissioner
NH Department of Environmental Services
29 Hazen Drive
Concord, NH 03302

Dear Commissioner Scott:

At the April 11 Governor and Council meeting, Item #64 regarding a Diesel Emission Reduction Act (DERA) grant to NHDOT for heavy equipment purchases was tabled. Councilor Wheeler questioned whether the grant amount, at 25% of costs, would offset the lost potential surplus/resale value of the equipment. He questioned whether that was taken into consideration in the application of the grant.

The answer is yes. NHDOT does evaluate the potential resale value, and the negative impact on the value from the DERA requirements in advance of applying to NHDES for grant consideration. In evaluating the fleet equipment purchases, if the potential DERA funding was not economically advantageous, we would not seek grant funding. For the specific 2 pieces of heavy equipment included in Item #64:

Crane: Cost: \$275,000; DERA - \$88,500, estimated surplus value w/o DERA \$21,200
Tractor: Cost: \$150,000; DERA - \$37,500, estimated surplus value w/o DERA, \$9,000

The DERA funding far exceeds the estimated surplus/resale value of the equipment that might be expected without the DERA restrictions. I would point out that even with the DERA grant restrictions, there is anticipated to be some residual value anticipated in terms of either parts or scrap.

I believe this should explain how the resale value implications are considered and answer the Councilor's concerns. If there are further questions please don't hesitate to contact me.

Sincerely,

Victoria F. Sheehan
Commissioner

cc: The Honorable David Wheeler, Executive Council District 5
W. Cass

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