



Panel – Selling vs. Buying Federal-aid Dollars: Why Do It!

Panel Members

Dennis Kolar, PE - *Road Commission for Oakland County*

Lance Malburg, PE - *Dickinson County Road Commission*

Jake Welch - *Barry County Road Commission*

Angela Kline, PE - *Jackson County Department of Transportation*

Moderator: Jason Latham - *Berrien County Road Commission*



A conference hosted by...



Michigan's
Local Technical
Assistance Program



Center for
Technology & Training

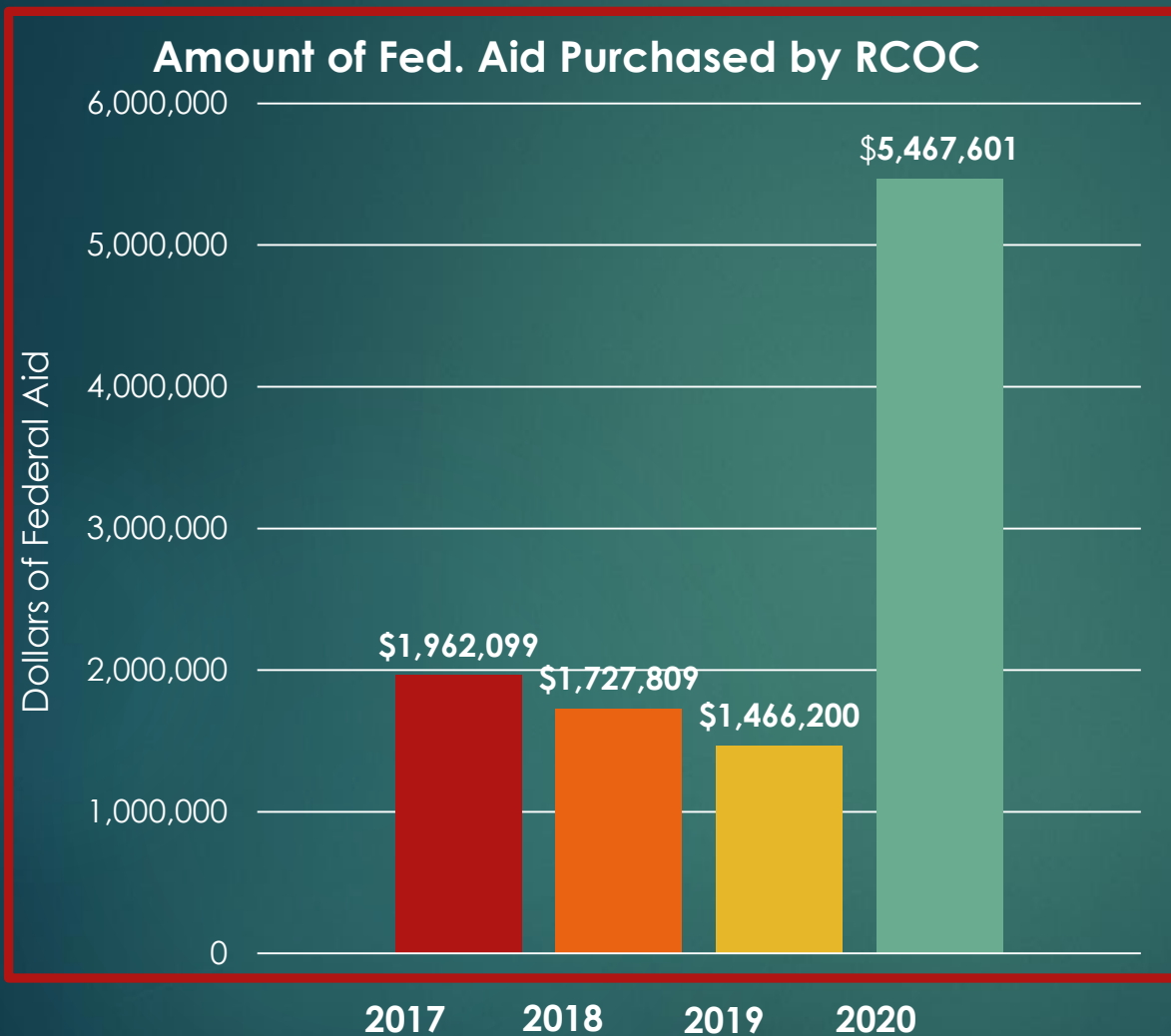


RCOC: Your One Stop Shop for Selling Federal Aid

PRESENTED BY:

DENNIS KOLAR, PE

MANAGING DIRECTOR/FEDERAL AID BUYING AGENT



Purchased From:

2017 (0.75):

- Delta
- Dickinson
- Leelanau
- Menominee

2018 (0.75):

- Baraga
- Dickinson
- Mason
- Newaygo

2019 (0.75):

- Huron
- Leelanau
- Montcalm

2020 (\$0.80):

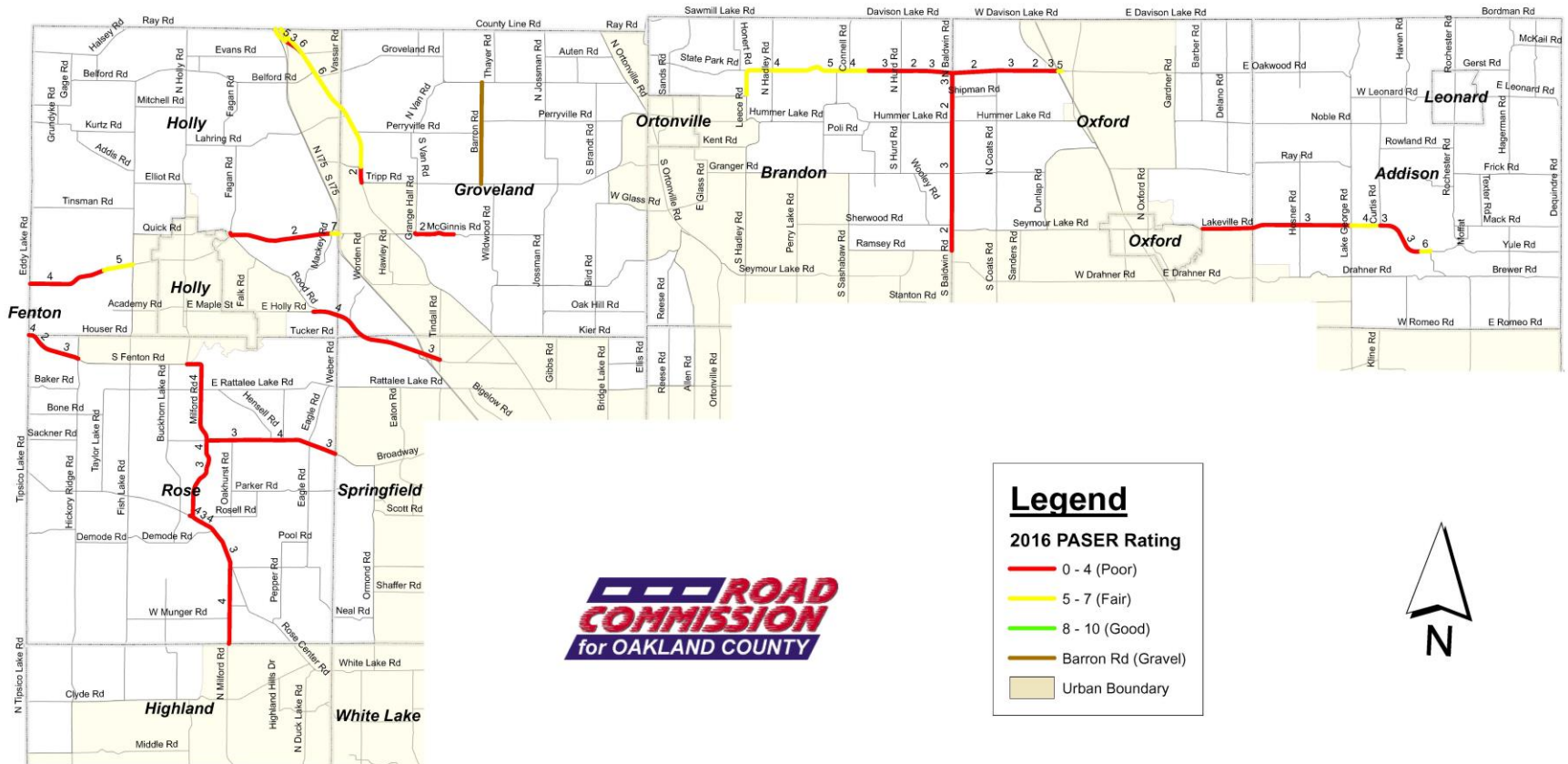
- Baraga
- Delta
- Dickinson
- Emmet
- Iron
- Keweenaw
- Menominee
- Newaygo
- Ogemaw
- Ontonagon

Fed \$ purchased
over four years:

\$10.6 M

Total MTF paid: **\$8 M**

ROAD COMMISSION FOR OAKLAND COUNTY 2017-2020 PURCHASED RURAL FEDERAL AID PROJECTS 2016 PAVEMENT CONDITION





**POSITVES AND
NEGATIVES OF
THE FEDERAL
FUNDS
EXCHANGE**



SOME POSITIVES OF THE EXCHANGE

- Quicker turn around in design & bid process (not the 6-month MDOT process)
- Saves engineering time & money in design, construction, and project close out.
- No MDOT oversight, and all the red tape that comes with it.
- Can try new & innovative things.
- Cash in the bank.
- Can build to local standards (still should follow NFC guidance)
- Inspect & document to local standards.
- No lengthy close out procedures.
- Guaranteed money, no total loss of funds if the pot runs dry as in years past.
- If project comes in under budget, extra funds are the local agencies to use. Can extend the work or spend elsewhere in the NFC system. (money is not lost)
- Contractors have less red tape with locally let jobs, so bid prices should be lower.
- Ability to set bid date, reject or accept bids as the local agency sees fit.
- No MDOT strict low bid policy
- Can hold money and let it grow for bigger projects.
- County crew can do the work without penalty.

SOME NEGATIVES

- Only get a percentage of the dollars -currently we have gotten 75-80 cents per dollar (offset by reduction on costs)
- No MDOT design review (for some organizations, the MDOT review is their only design quality control)
- D Funds as match. Many of us use State D as match for STP. Currently D is not in the discussion. I would like to see the D sold also. If not, then MDOT oversight and all the rules if the project uses D. (There are ways to get around this.)
- Money comes when the buying agency gets their project obligated.
- If bids come in high, or project has extras, local agency picks up 100%. (Not 80-20 or whatever the split was, offset by local's ability to reject all and rebid).

Barry County Road Commission

Federal Funds Exchange



History

➤ **Barry County Road Commission Board approved exchanging funds....**


➤ **2017 – Jackson County Road Department**

➤ **2018 – Jackson County Road Department**

➤ **2019 – Calhoun County Road Department**



Benefits...

- Flexibility of funds use
 - Assisting with Township contribution match
 - Design flexibility
 - Paperwork reduction
 - Project turn around time reduction
 - Contract award flexibility
 - No force account limits
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