

# Project Tracking Policy Review

Regional Project Evaluation Committee  
October 24, 2025



Puget Sound Regional Council



*We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.*

[psrc.org/equity](https://psrc.org/equity)

# Review Topics



Two project tracking policy topics for discussion:

- **Administrative Transfer of PSRC Funds Between Phases** – Evaluate the current \$50K limit for administrative transfer of PSRC funds between phases
- **Pre-Bid Increased Federal Share** – Evaluate the potential to allow pre-bid cost estimate increases to be eligible for “increased federal share” funds under PSRC’s annual TIP rebalancing process



# Process & Timeline

Timeline	RPEC Tasks
September meeting	Introduce topics Provide preliminary input
October meeting	Full committee discussion both topics
<i>If needed to help focus options for potential action, committee members may be polled on specific questions prior to the December RPEC meeting</i>	
December meeting	Final discussion and action on recommendations

**We Are Here**





# Overall Policy Context

**PSRC's Project Tracking Policies** developed to ensure the timely and predictable use of all regionally managed federal funds, and assist the region to:

- Reduce project delays that lead to increased costs
- Ensure the traveling public benefits from investments at the earliest point possible
- Meet federal funding delivery expectations
- Preserve PSRC funds and ensure they are kept locally
- Position region for additional funding opportunities by demonstrating the ability to deliver projects

**Informed by RPEC recommendations ~ Adopted by the Board**



# Overall Policy Context

The following policies, previously established through RPEC recommendations and board deliberations, should also guide today's discussion...

- PSRC funds are awarded by phase, not by project
- In general, PSRC funds are not intended to fund project cost overruns
- When possible, PSRC funds that have been awarded but unused should go to the next eligible project on the list
- Supplemental funding needed to fill FHWA annual delivery gap must be confirmed in time to include in the March TIP/STIP amendment
- Policies are established to enable PSRC funds to be distributed between jurisdictions in a consistent and fair way



# Policy Topic #1 – Transfer of Funds between Phases

The current limit for administrative transfer of PSRC funds between phases is \$50,000

- PSRC funds unspent at the completion of a phase are de-obligated and redistributed to the next eligible project
- Last set in 2015, PSRC policies allow administrative transfer of up to \$50K between phases of the same project, provided all phases remain fully funded
- Any transfer greater than \$50K is subject to “exception” policies and requires board approval



# Policy Topic #1 – Transfer of Funds between Phases

The limit for administrative transfer is based on an amount determined reasonable for new project funding

- Recognizes the policy that if a project is unable to utilize funds for the requested purpose, they should go to the next eligible project
- But also acknowledges
  - amounts below a certain threshold are unlikely to be feasible for new project funding; and
  - there is benefit to some limited flexibility to accommodate minor changes in project conditions



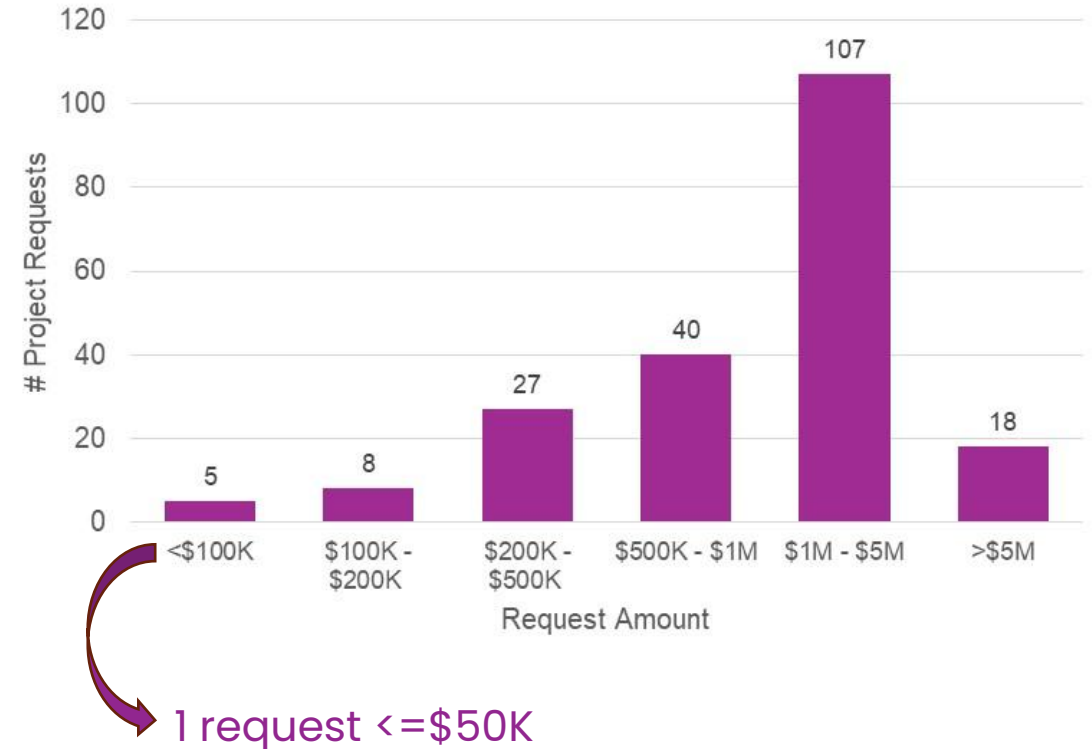
# Policy Topic #1 – Transfer of Funds between Phases

## Size of PSRC Funding Requests Since 2021

Funding Awards



Contingency List Requests





# Policy Topic #1 – Transfer of Funds between Phases

The current limit for administrative transfer of PSRC funds between phases is \$50,000

## QUESTION FOR DISCUSSION

Since this limit was set 10 years ago, is it still the right level for maintaining the overall intent of PSRC policies, or should a higher amount be considered?



# Policy Topic #2 – Pre-Bid Cost Estimate Increases

Pre-bid cost estimate increases are not currently eligible to receive PSRC funds in the annual TIP rebalancing process

- Currently, only the **phase cost provided at the time of award** is considered in a project's capacity to receive increased federal share
- If the cost estimate at the time of obligation is higher than was initially estimated and programmed, any cost overruns are the responsibility of the sponsor
  - This policy is the result of many RPEC and board discussions over the years



# Policy Topic #2 – Pre-Bid Cost Estimate Increases

## Annual Five-Step TIP Rebalancing Process

1. Advance projects from later years of the TIP.
2. Exchange federal funds for local/state funds between phases of a single project, or between projects, within the same agency.
3. Increase federal shares of awarded projects.
4. Fund immediately-ready-to-go projects from the current adopted contingency lists.
5. Award new funds to new projects, outside of the standard PSRC project selection process.



# Policy Topic #2 – Pre-Bid Cost Estimate Increases

## Increased Federal Share Policy

- Applied to PSRC-funded projects with delivery in the **current fiscal year**
- In this step, the additional federal funds are awarded and **replace an equal amount of local funds**
- Additional federal funds are awarded up to either (1) the **maximum needed to fill the region's delivery gap**, or (2) the **maximum a project can accept** and still meet its 13.5% match requirement, whichever is smaller
- Projects that requested and were **awarded the maximum federal share** (86.5% of the phase cost provided) **are not eligible** to receive additional funds



# Policy Topic #2 – Pre-Bid Cost Estimate Increases

## Additional Context:

PSRC does not review or vet project cost estimates that are provided with funding applications, that are the basis of funding requests

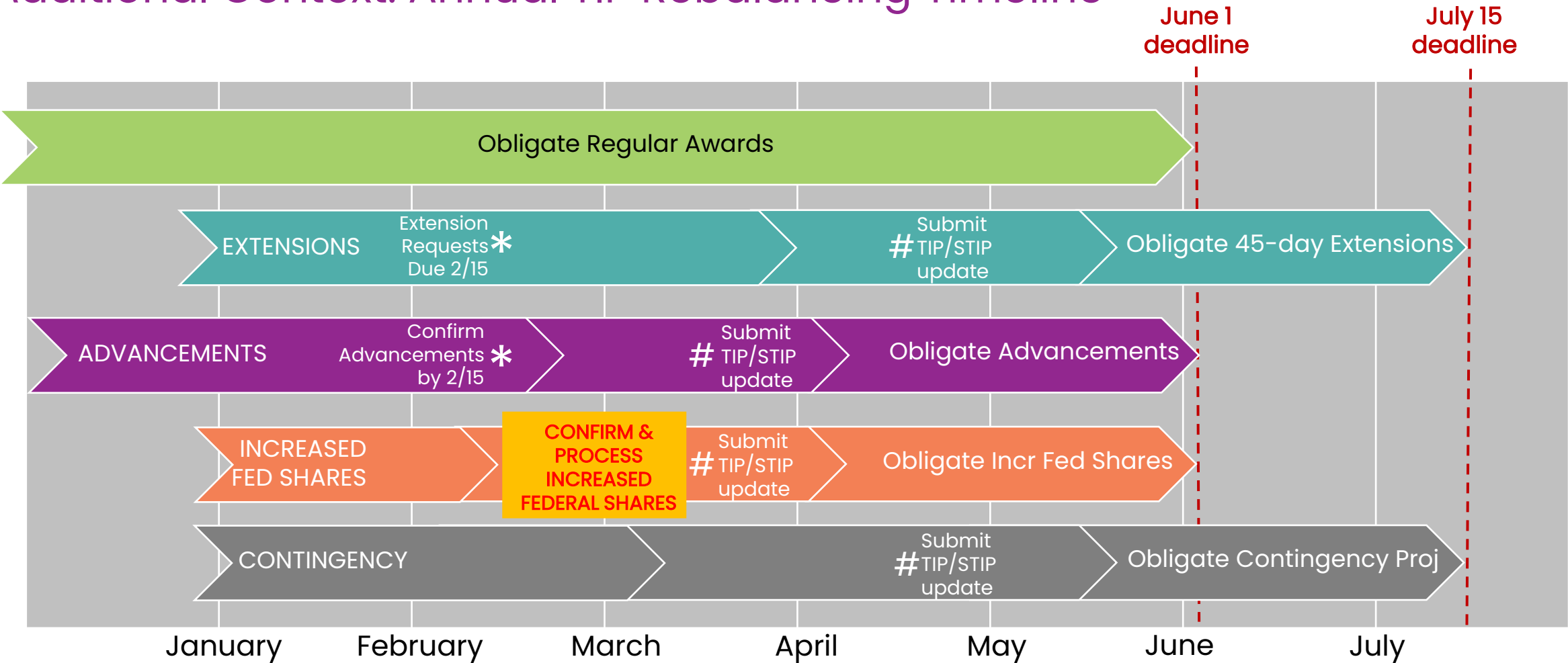
- PSRC staff does not have the expertise, nor do our funding processes allow sufficient time, to perform technical review of project cost estimates
- But it IS expected that project cost estimates are prepared by an engineer,
  - based upon best available information and technical understanding of the project scope elements and site characteristics, and
  - including an appropriate contingency factor to cover potential risks and uncertainties
- Agency approaches differ, and estimates are occasionally changed or corrected post-award





# Policy Topic #2 – Pre-Bid Cost Estimate Increases

## Additional Context: Annual TIP Rebalancing Timeline



# Policy Topic #2 – Pre-Bid Cost Estimate Increases

## Highlights from Transportation Improvement Board (TIB)

- TIB staff have administrative authority to award additional funds up to a limit established by its policies (up to max of 15% or \$750K)
- Almost all additional TIB funds are awarded based on high bids or construction change orders; it is rare to award additional funds pre-bid, based on increased cost estimates
- TIB processes incorporate a strong technical review of cost estimates, at time of initial award application and again if any adjustments are requested
- If request is approved for consideration, additional award still depends on project circumstances and whether additional funds are available



# Policy Topic #2 – Pre-Bid Cost Estimate Increases

Pre-bid cost estimate increases are not currently eligible to receive PSRC funds in the annual TIP rebalancing process

## QUESTIONS FOR DISCUSSION

Is there a way to include pre-bid cost estimate increases that

- Can be applied consistently and fairly to all projects?
- Does not require technical review of cost estimates by PSRC?
- Can be implemented on a timeline that maintains the March TIP/STIP update for programming increased federal shares?
- Maintains incentive for effective project planning to support the initial funding request?



# Next Steps



- Any additional RPEC input needed will be gathered via poll, prior to December meeting
- RPEC vote on recommendations in December

