

Project Tracking Policy Review

Regional Project Evaluation Committee
December 5, 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.

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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
November	Committee members surveyed on follow-up questions from October discussion
December meeting	Final discussion and action on recommendations We Are Here



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 – Context

Previous Board determinations that should guide update:

- PSRC funds are **awarded by project phase**, not to the entire project
- If a project is unable to utilize awarded funds for the requested purpose, **unspent funds should go to the next eligible project** on the list
- But policy also **acknowledges the benefit of some limited flexibility** to accommodate minor changes in project conditions
- The limit is based on an amount determined **reasonable for potential new project funding**
- Administrative transfer up to the established limit is allowed, as long as **all phases remain fully funded**



Policy Topic #1 – October Meeting Takeaways

Acknowledgement that:

- Project costs have increased since the \$50K limit was established in 2015.

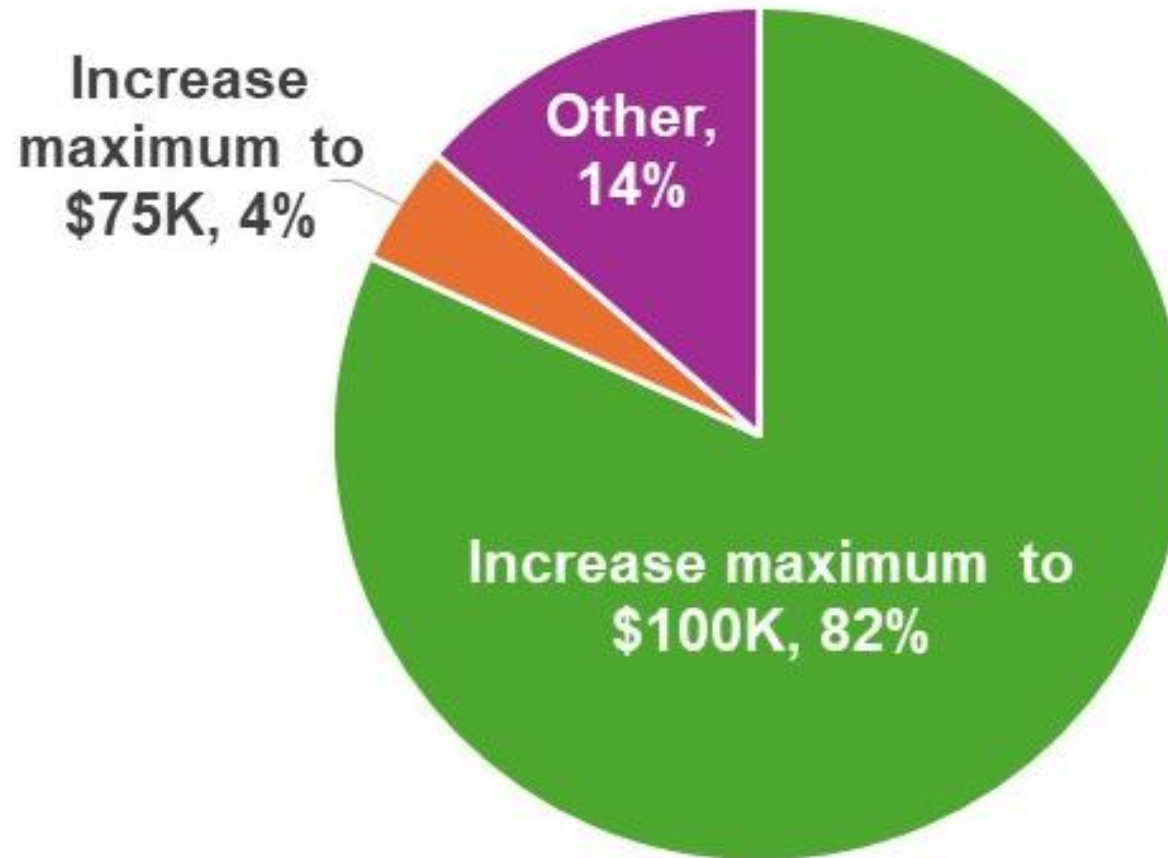
(Note, based on the Consumer Price Index, average costs between 2015 and 2025 inflated by about 37%)

- Smaller funding requests are less common but do happen
- Since WSDOT coordination is needed to implement this policy, it needs to remain administratively straightforward.



Policy Topic #1 – Survey Results

Based upon the parameters specified above, which of the following do you most strongly support?



"Other" included two suggestions for increase between \$100K-\$200K, and one suggestion to eliminate the policy and allow no transfers between phases



Policy Topic #1 – Recommendation Requested

DRAFT based on RPEC input...

Increase the limit for administrative transfer of PSRC funds between phases to \$100,000

- Retains provision that all phases must remain fully funded
- Any transfer greater than \$100K would be subject to “exception” policies and require board approval



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

- 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



Policy Topic #2 – Context

The following parameters should guide any potential update to this policy:

- Boards and committee have to date been firm that **cost overruns are the responsibility of the sponsor**
- PSRC **staff does not have the time or expertise to review or vet project cost estimates** that are provided with funding applications
- Expected that **cost estimates are based upon best available information and technical understanding** of the project scope elements and site characteristics—and **include an appropriate contingency factor** to cover potential risks and uncertainties



Policy Topic #2 – October Meeting Takeaways

Acknowledgement that:

- Initial planning-level cost estimates should be carefully developed by project sponsors and include contingency factors
- Unanticipated cost increases can still occur, sometimes due to inflation that has exceeded historical trends, or scope updates as project progresses
- These factors could potentially be balanced by placing a limit on the amount of a cost increase that could be covered by supplemental funds
- While requiring an engineer's cost estimate may not always be feasible at the time of initial funding request, it can be reasonably be expected as a sponsor is preparing to obligate a project's funds



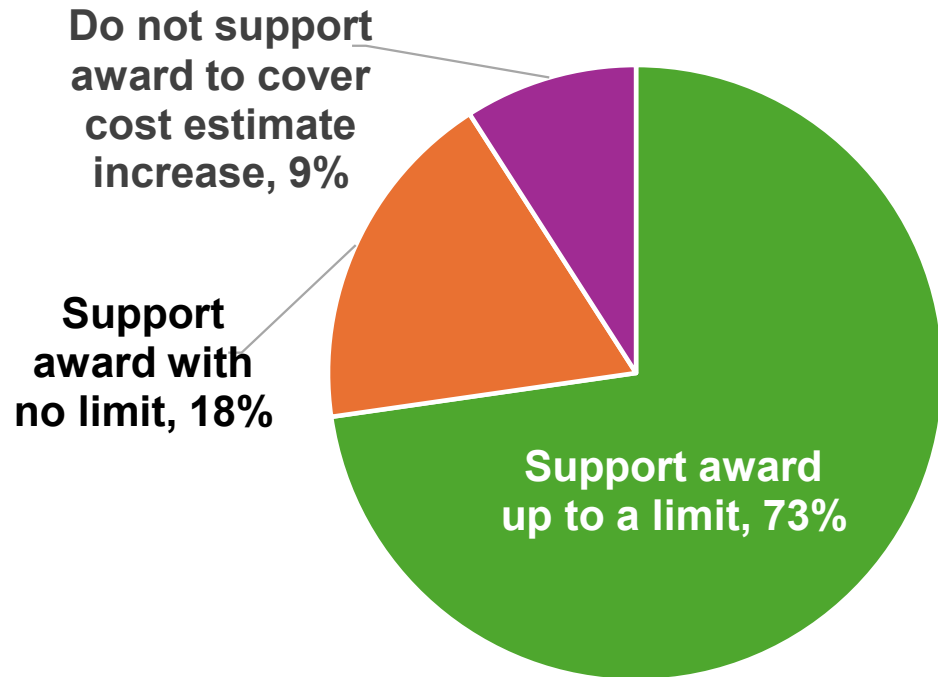
Policy Topic #2 – Conditions of Potential Change

- Only projects with **delivery in the current fiscal year** would be considered for increased federal share
- Any updated cost estimate submitted for consideration would need to be **stamped and signed by a licensed engineer** – *reason for the increased cost should also be explained*
- The updated cost would need to be submitted to PSRC for **programming in the TIP/STIP no later than February 15** of the current fiscal year
- The TIP/STIP submittal **must include financial documentation showing sufficient local funds to cover the full cost increase** are either secured or can be reasonably expected

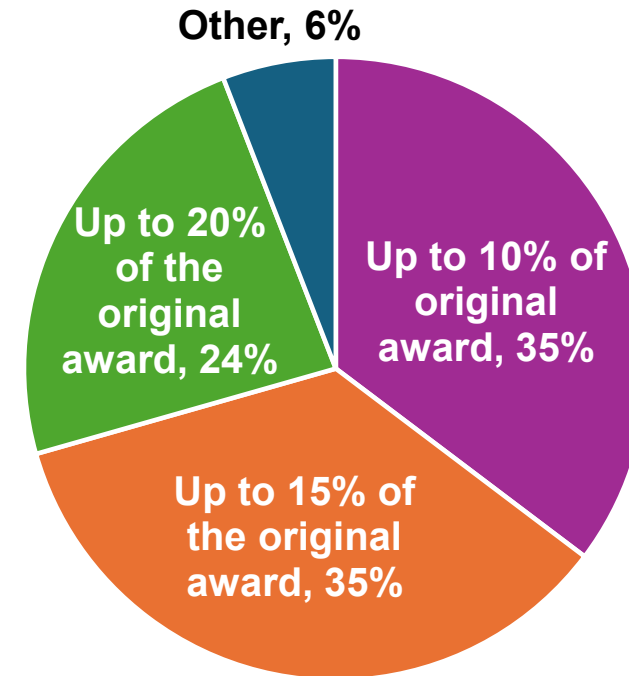


Policy Topic #2 – Survey Results

Based upon the parameters specified above, which level of potential award do you most strongly support?



For respondents who support a limit, what percentage do you believe would be reasonable?



**Other suggestions to consider a cap amount, e.g., 15% or \$750K cap, comparable to TIB



Policy Topic #2 – Supplemental Funding Context

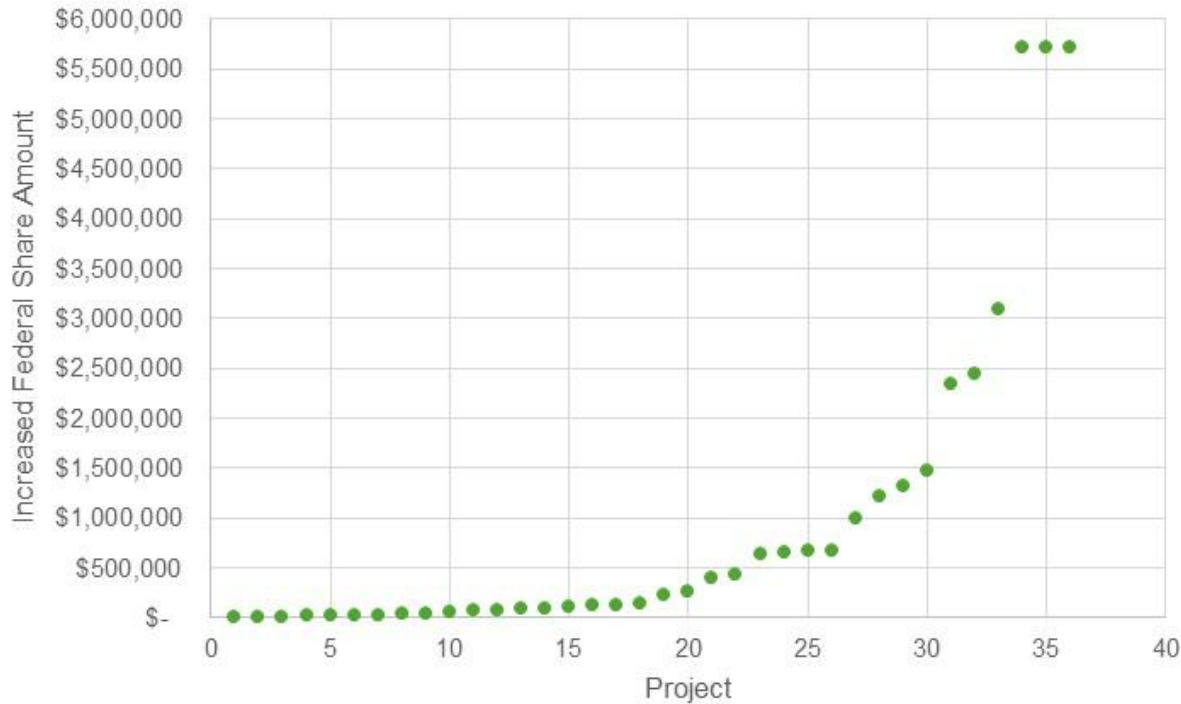
Increased Federal Share Approach

- In this step, the additional federal funds are awarded and **replace an equal amount of local funds**
- Additional federal funds are applied equally to all eligible projects, 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
- “Increase federal shares” is Step 3 of PSRC’s annual rebalancing process and is not guaranteed!



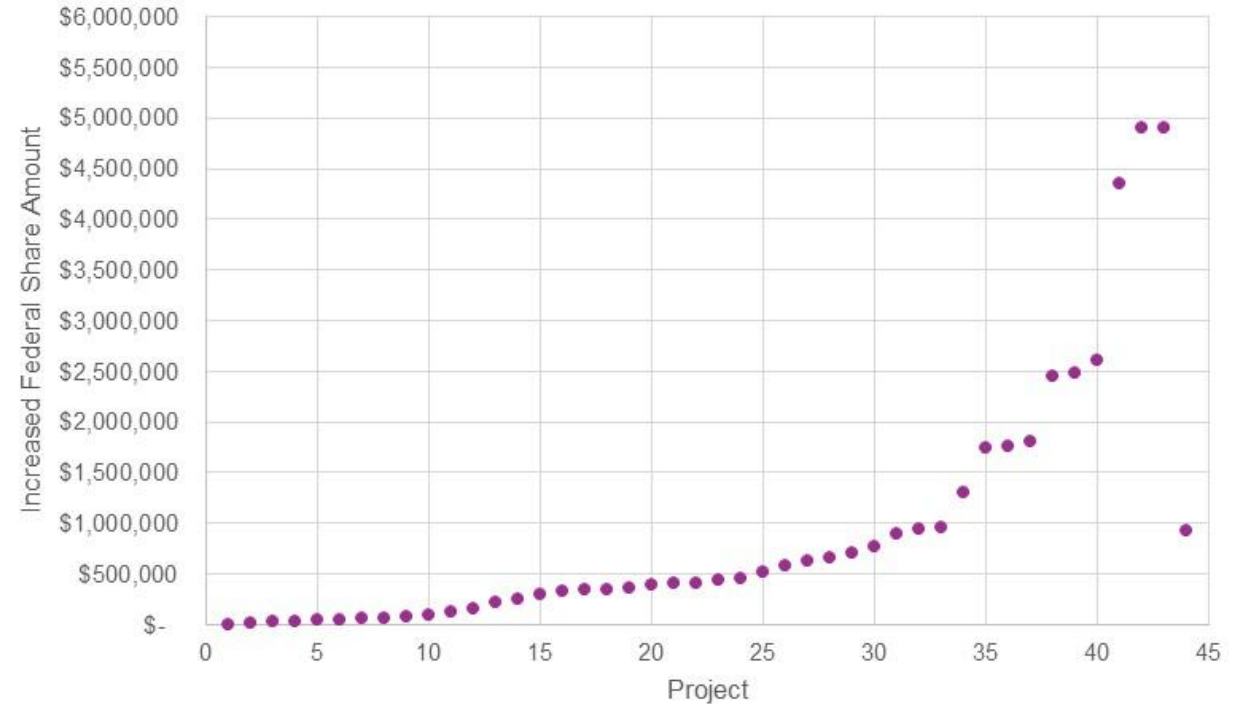
Policy Topic #2 – Recent Increased Federal Shares

2025



- 36 projects, avg \$972K
- Range = ~\$5K to ~\$5.7M
- 18 projects received <\$150,000
- 14 projects at max fed share already

2024



- 43 projects, avg \$929K
- Range = ~\$6K to ~\$4.9M
- 11 projects received <\$150,000
- 18 projects at max fed share already



Policy Topic #2 – Scenarios

	Smaller Project		Medium Project		Larger Project	
Cost Estimate at Award	\$	500,000	\$	5,000,000	\$	9,000,000
Award of Max Fed Share	\$	432,500	\$	4,325,000	\$	7,785,000
Min Local Share	\$	67,500	\$	675,000	\$	1,215,000
Cost with increase of 25%	\$	625,000	\$	6,250,000	\$	11,250,000
Capacity for additional federal funds:						
up to 10% of award	\$	43,250	\$	432,500	\$	778,500
up to 15% of award	\$	64,875	\$	648,750	\$	1,167,750
up to 20% of award	\$	86,500	\$	865,000	\$	1,557,000
No limit	\$	108,125	\$	1,081,250	\$	1,946,250
Cost with increase of 50%	\$	750,000	\$	7,500,000	\$	13,500,000
Capacity for additional federal funds:						
up to 10% of award	\$	43,250	\$	432,500	\$	778,500
up to 15% of award	\$	64,875	\$	648,750	\$	1,167,750
up to 20% of award	\$	86,500	\$	865,000	\$	1,557,000
No limit	\$	216,250	\$	2,162,500	\$	3,892,500

Data indicates that projects with cost >\$10M tend to have sufficient non-federal funds to absorb available increased federal share



Policy Topic #2 – Recommendation Requested

DRAFT (part 1) based on RPEC input...

Allow pre-bid cost estimates to be included in supplemental funding actions, with the following conditions:

- Applies to projects with delivery in the current fiscal year
- Updated cost would need to be submitted for programming in the TIP/STIP no later than February 15 of the current fiscal year
 - Updated cost estimate stamped, signed by a licensed engineer
 - Explanation of the reason(s) for the cost increase
 - Financial documentation of new funds required per standard TIP/STIP rules
- *Limit to be determined as second part of recommendation*



Policy Topic #2 – Recommendation Requested

DRAFT (part 2) based on RPEC input...

Allow pre-bid cost estimates to be included in supplemental funding actions, up to limit of...

➤ Maximum of (15%?) of original award

OR

➤ Maximum of (\$750K?), regardless of project size

OR

➤ Maximum of (\$750K?) or (15%?) of original award, whichever is higher

