

Project Tracking Policy Review



Regional Project Evaluation Committee
December 5, 2025



Puget Sound Regional Council



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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

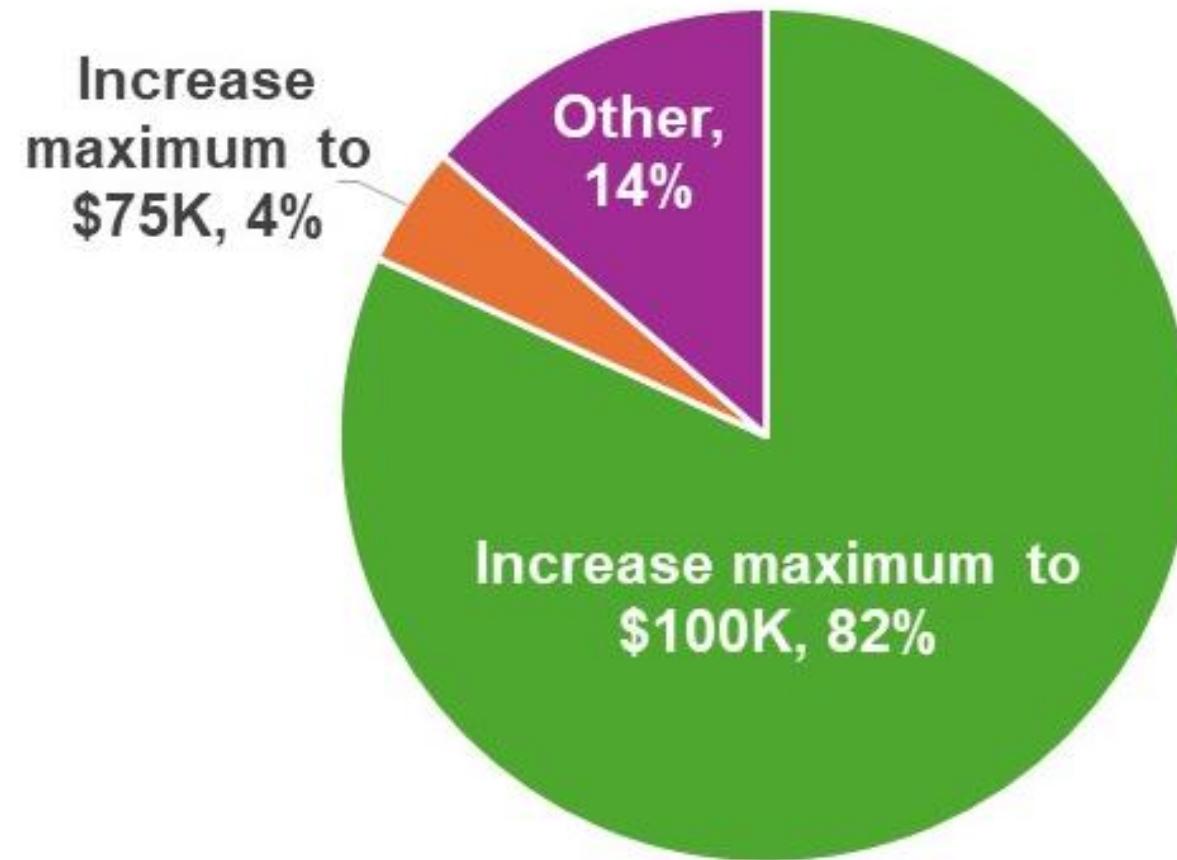
Acknowledgement that:

- 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



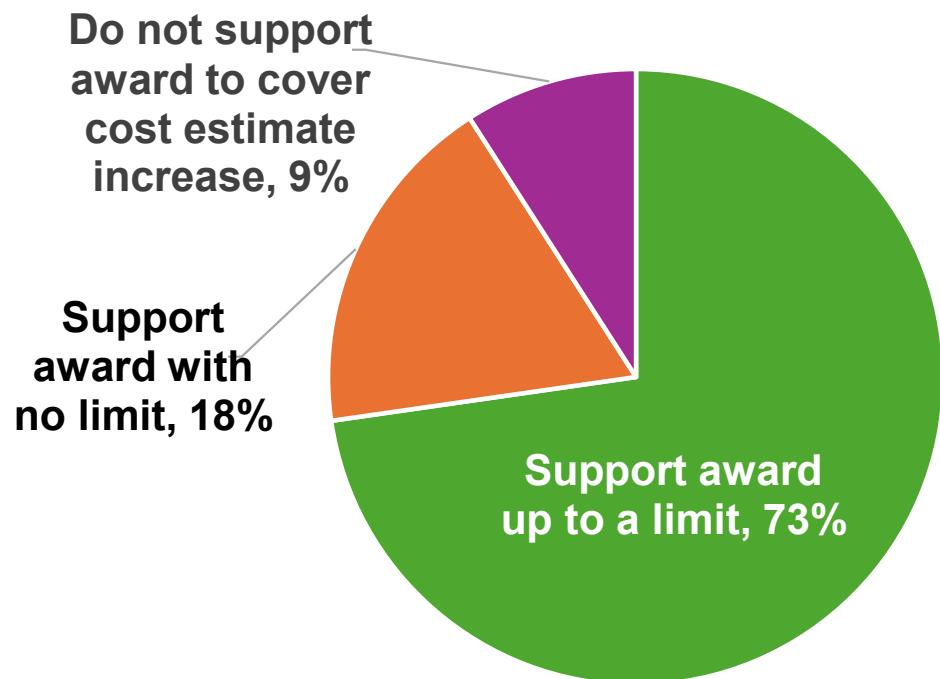
Policy Topic #2 – Conditions of Potential Change

- 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

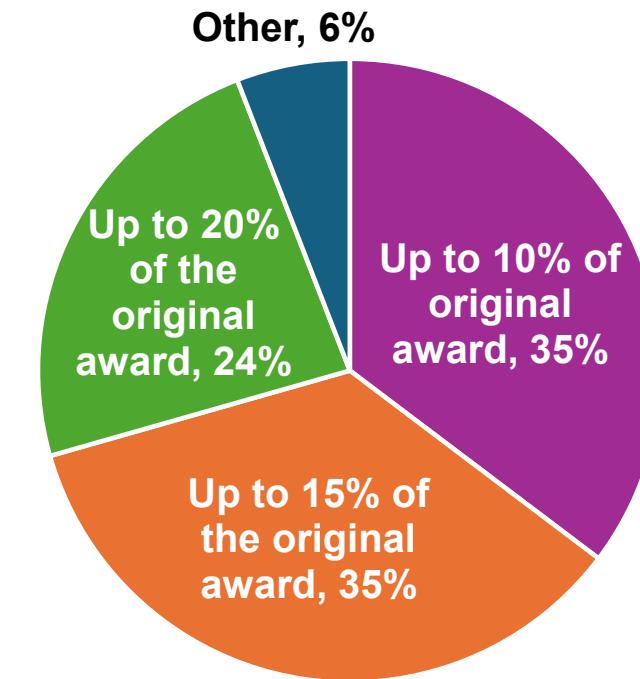


Policy Topic #2 – Survey Results

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

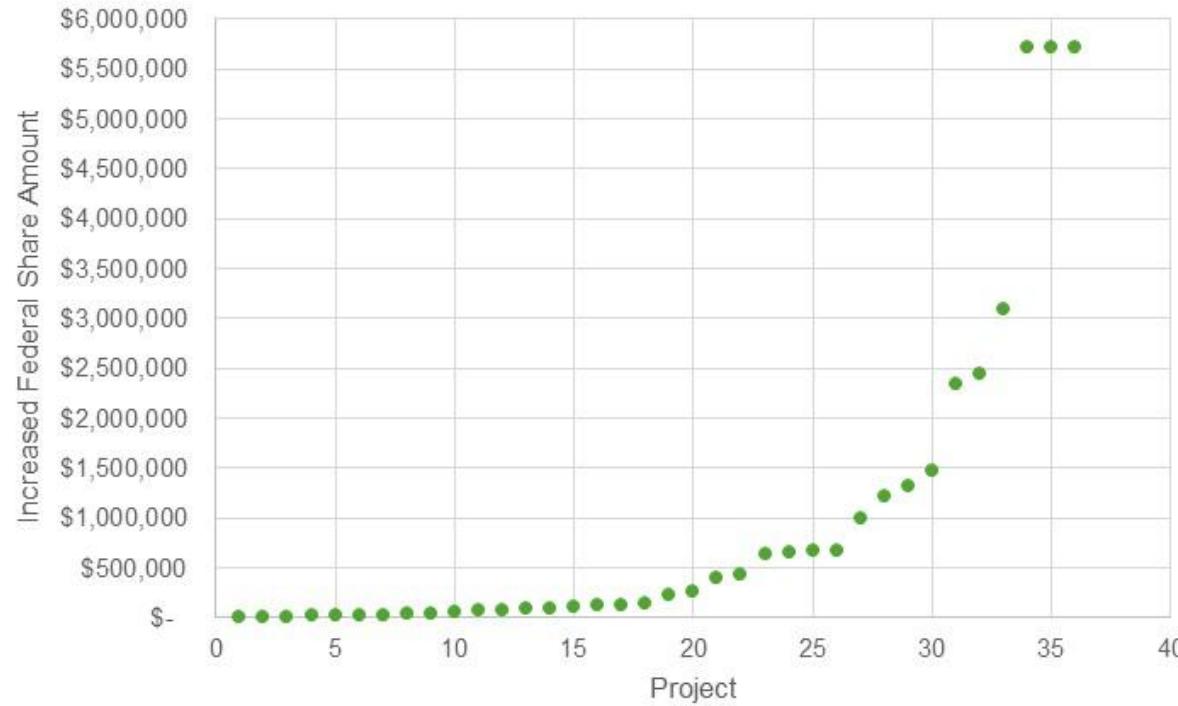
Increased Federal Share Approach

- 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!

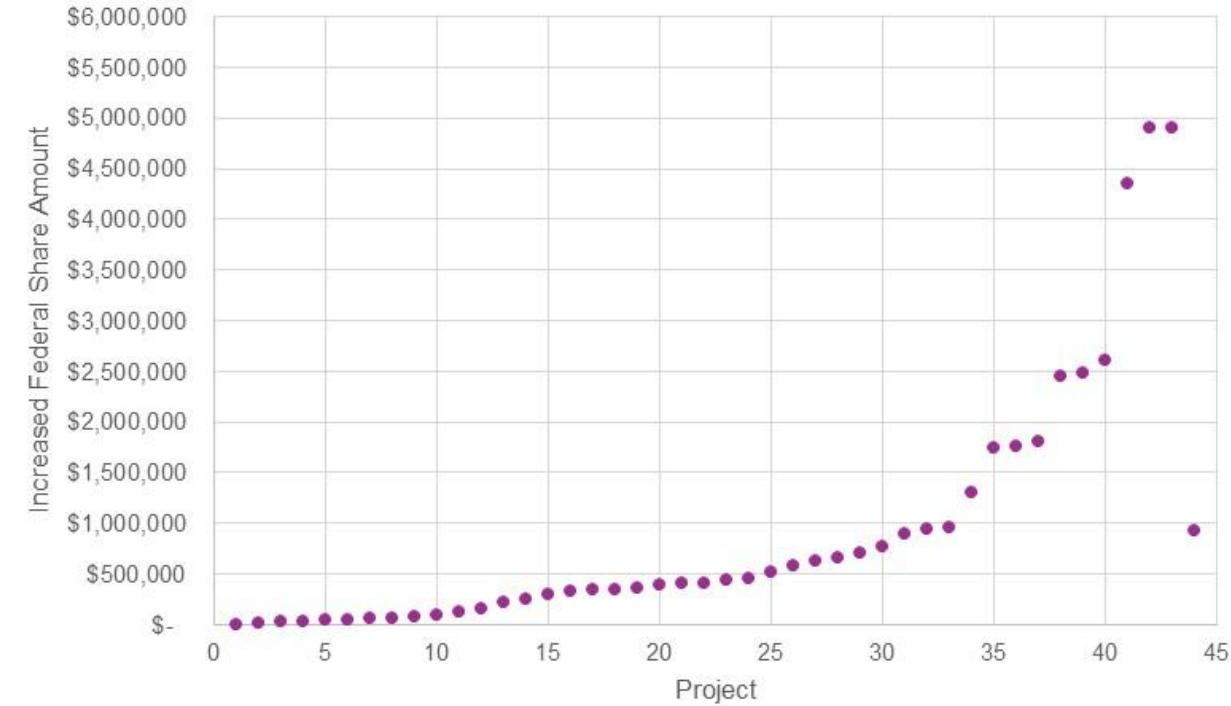


Policy Topic #2 – Recent Increased Federal Shares

2025



2024



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

- 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

