

Project Delivery Policy Updates

Regional Project Evaluation Committee
October, 2023



Today's Presentation



- Project delivery problem statement
- Overview of Project Delivery Working Group efforts to address documented issues
- Walk through each of the four policy recommendations – RPEC action will be requested for each one



Problem Statement



PSRC conducts a competitive process to select projects that best meet regional policies.

Our region has difficulty achieving required delivery each year, typically requiring supplemental funding outside of the normal competitive process.

This causes the region to push and sometimes miss obligation deadlines needed to ensure delivery within each fiscal year.



Problem Statement

As a region, we want to:

- **achieve our delivery target** with initially-awarded projects each year;
- **stop having large supplemental funding actions each year** and maintain the integrity of our competitive processes;
- **demonstrate that we can deliver federal funds** and be in position to receive additional federal funds above our allocation; and
- **return our contingency list process back to its original form** - utilize for new or returned funding before the next process, not a need for immediately ready-to-go projects to meet delivery.



Project Delivery Working Group

- Made up of representatives from RPEC and the four countywide forums
- Has met monthly since January
- First half of year, focus was on “emergency tools” for current year delivery
- Second half of year, focus has been on overall project delivery



Project Delivery Policy Recommendations

In funding competitions:

1. Change project readiness/financial plan from a scored criterion to an eligibility criterion
2. Award only one phase per competition (no PE+1)

In annual rebalancing process, for supplemental funding:

3. Award increased federal shares before contingency projects
4. Adjust process timeline to accommodate more June 1 deadlines



Recommended Policy Change #1

In funding competitions, remove Project Readiness/Financial Plan from the scored evaluation criteria and convert to an eligibility threshold.

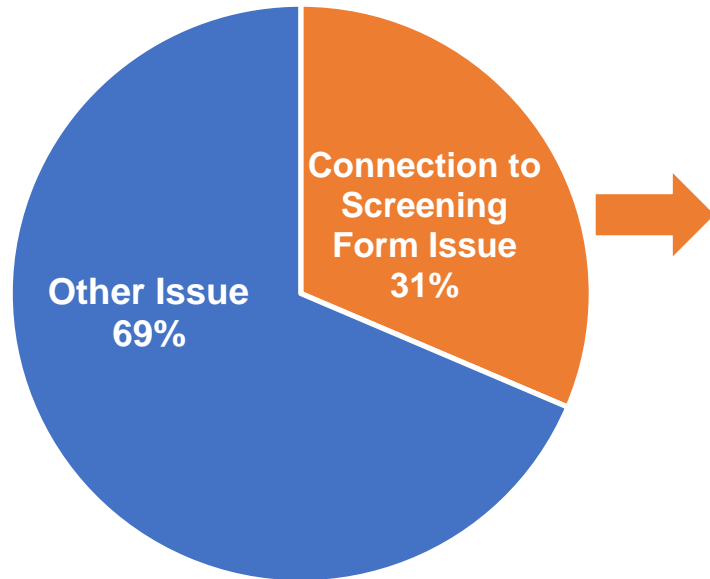
Issues Addressed:

- Screening form comments on project readiness and the financial plan are not being adequately addressed in the submitted applications.
- The issues emerge as a reason for delay and the projects require an extension.
- The 5 points in the competitions do not fully address the importance of this.



Data to Support Policy Change #1

Of 35 extension requests in last 3 years...



1. Project readiness or financial issue identified in screening form review
2. Issue is not addressed in the grant application submitted
3. Project receives lower score in this category but still scores high enough overall to receive award
4. The previously identified issue is then later the reason for requesting a 1-year extension



Action Item #1

Request RPEC recommend the following update to PSRC policies:

In funding competitions, remove Project Readiness/Financial Plan from the scored evaluation criteria and convert to an eligibility threshold.

Follow-up if carried forward:

- PSRC will coordinate with WSDOT Local Programs to identify reasonable project readiness milestones, and provide guidance prior to next competition
- Current financial plan guidelines would apply, with no changes recommended
- If eligibility issues are identified, PSRC works with sponsor to try to resolve prior to making final determination



Recommended Policy Change #2

In funding competitions, do not award PE+1 phases; award only one project phase per competition.

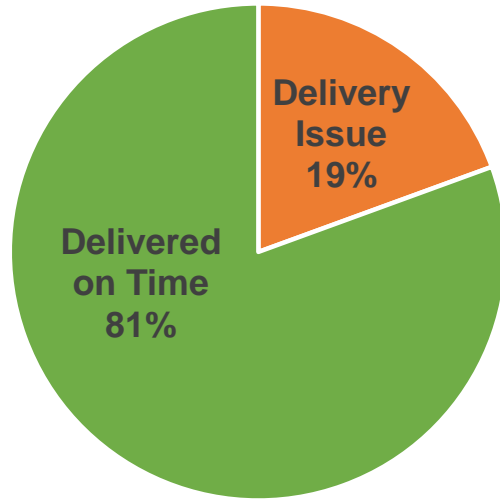
Issues Addressed:

- High correlation between PE+1 awards and projects that have encountered delivery issues.
- Delivery issues with PE+1 awarded projects occur across and project types and phases

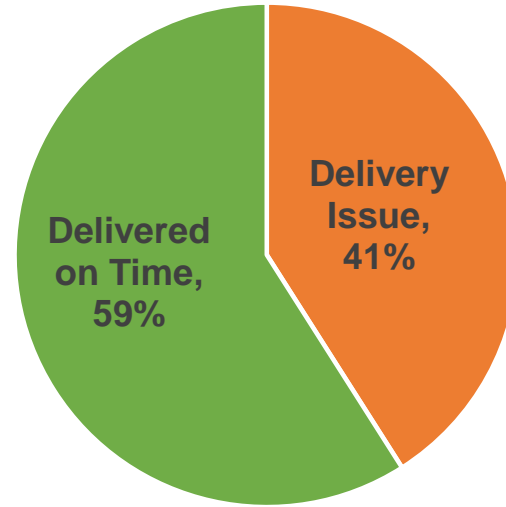


Data to Support Policy Change #2

Since 2018...



Single Phase Awards
(255 total)



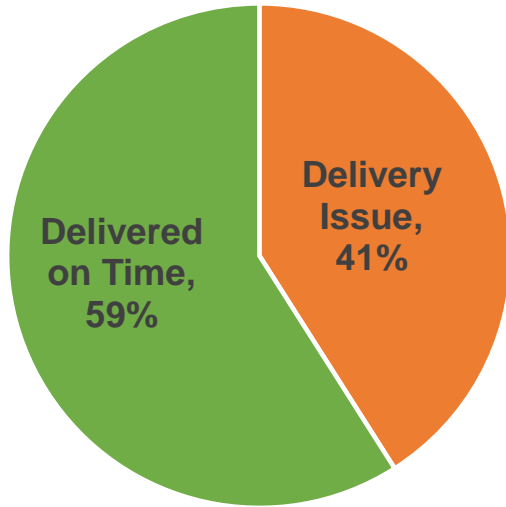
Two-Phase (PE+1) Awards
(60 total)

**updated from data in packet*

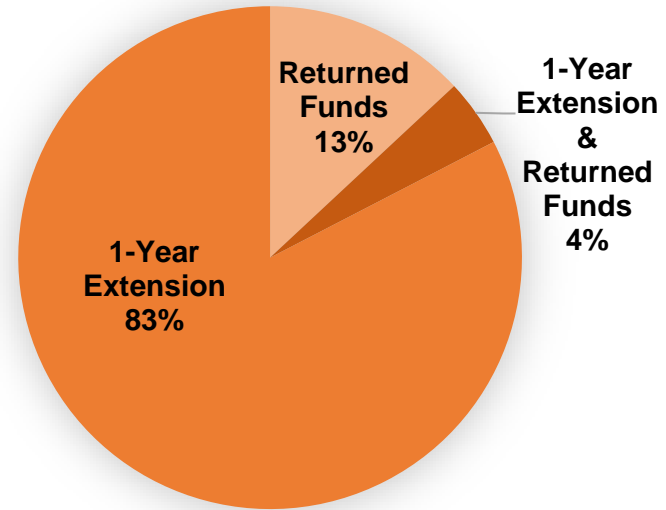


Data to Support Policy Change #2

Since 2018...

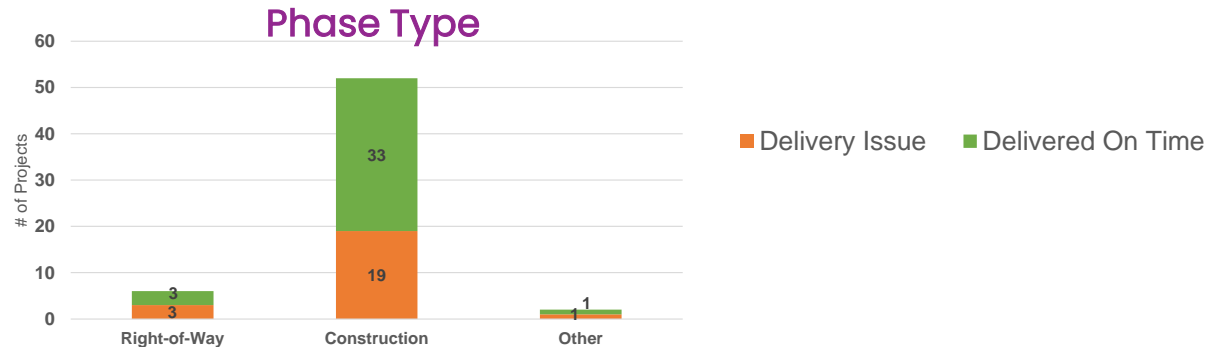
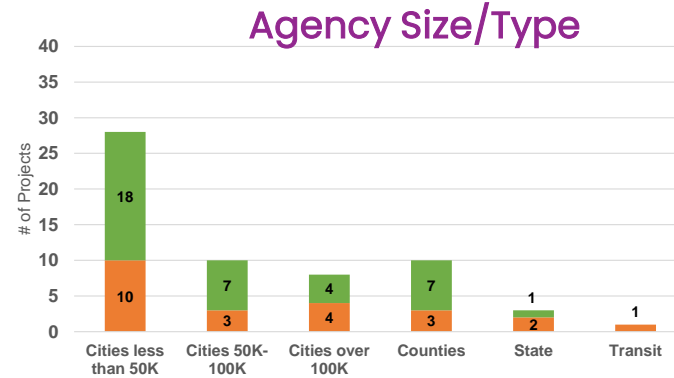
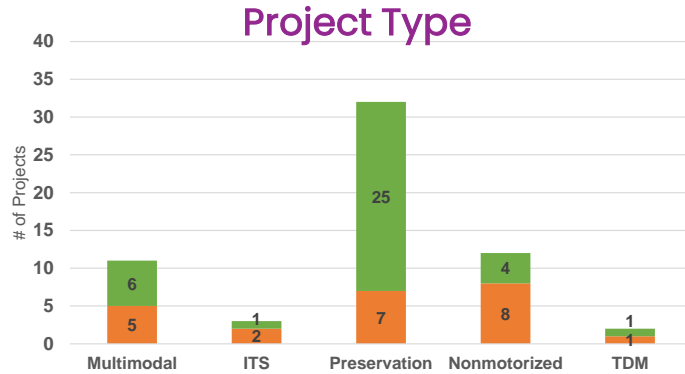


Two Phase (PE+1) Awards
(60 total)



Data to Support Policy Change #2

Issues occur across...



Action Item #2

Request RPEC recommend the following update to PSRC policies:

*In funding competitions, do not award PE+1 phases;
award only one project phase per competition.*



Annual 5-Step 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. Fund immediately-ready-to-go projects from the current adopted contingency lists.
4. Increase federal shares of awarded projects.
5. Award new funds to new projects, outside of the standard PSRC project selection process.



Recommended Policy Change #3

In the annual five-step TIP rebalancing process, move “Increased federal shares” ahead of “Fund projects from the contingency list.” Transition the contingency list and potential distributions of funding to the original format.

Issues Addressed:

- Currently, “ready-to-go” status is primary consideration in supplemental fund awards, not project scores
- Less consistent with the intent of the competitive project selection processes
- There is ample capacity with the Increased Federal Share option
- Increased Federal Shares more reliably reflects geographic balance of funds



Recommended Policy Change #3

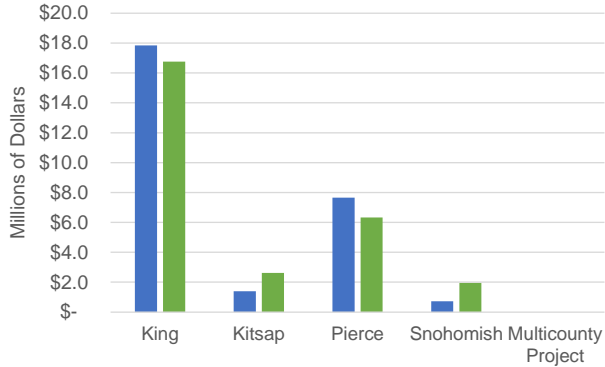
To still support their development and use, **contingency lists** would be implemented if:

- If all programmed projects deliver on time in a given year, without extensions or returns, but there is a **gap in delivery due to higher allocations of funding** than originally estimated (i.e., new funds)
- If any **additional funding becomes available “off-cycle” or unexpected**

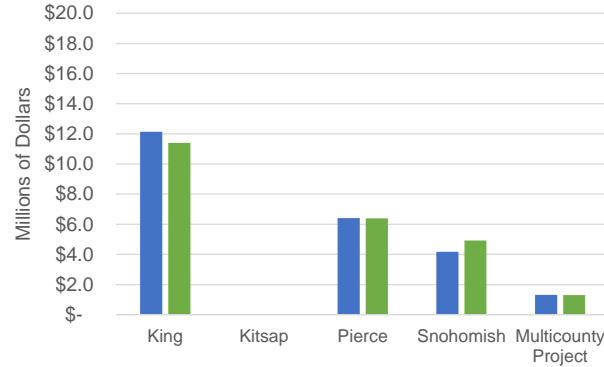


Data to Support Policy Change #3

2023



2022



■ Current Policy (actual) ■ Recommended Policy (incr federal shares)

- In award to contingency projects, “immediately ready to go” status is the primary consideration.
- Geographic balance is inherent in increased federal shares.
- The effect of the recommended policy change on supplemental funding distribution depends on the contingency project characteristics.



Action Item #3

Request RPEC recommend the following update to PSRC policies:

In the annual five-step TIP rebalancing process, move “Increased federal shares” ahead of “Fund projects from the contingency list.”

Transition the contingency list and potential distributions of funding to the original format.



Recommended Policy Change #4

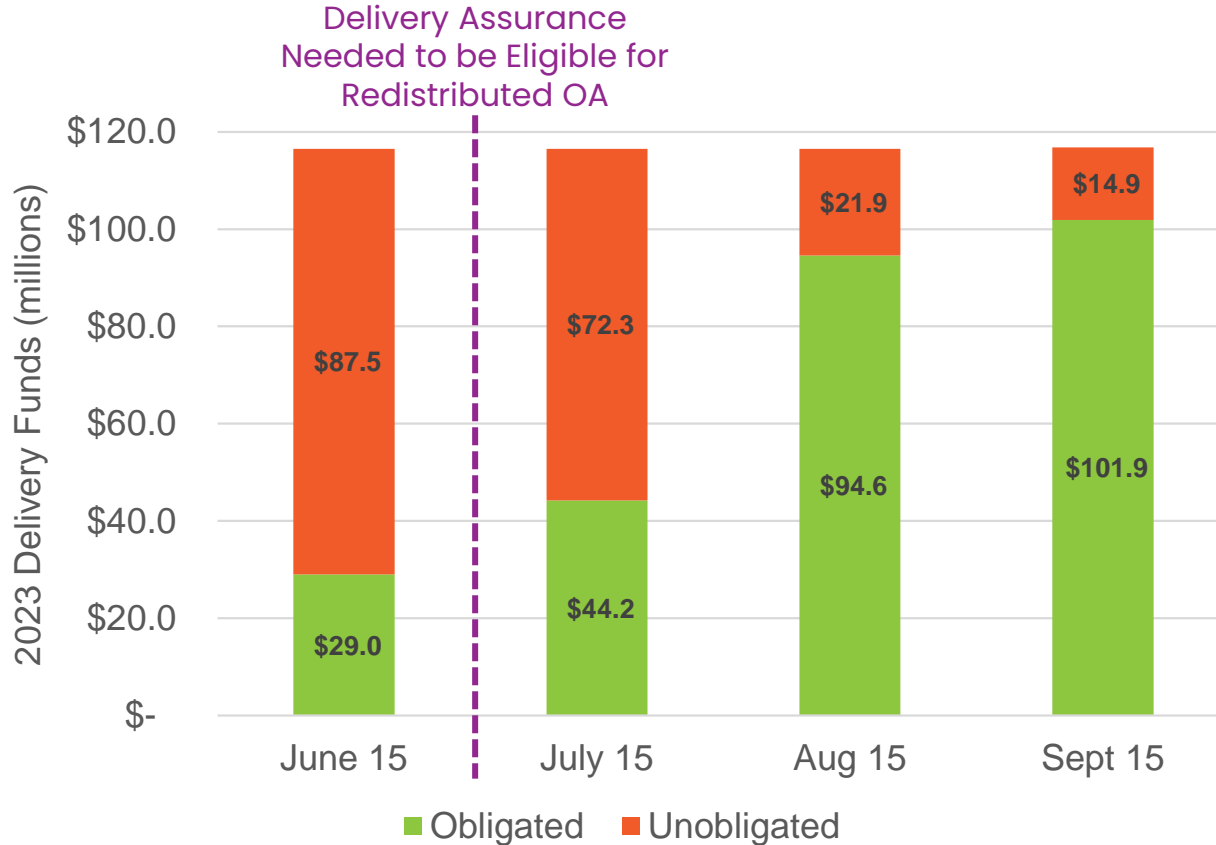
In the annual TIP rebalancing process, move up the obligation deadline for (1) projects advancing funds from later years of the TIP, and (2) those projects receiving an increase in federal share, from July 15 to June 1.

Issues Addressed:

- Some delivery issues result from insufficient planning by agencies, or a tendency to push right up to obligation deadlines.
- A flood of submittals late in the year strains WSDOT review and can result in issues being identified late in the process.

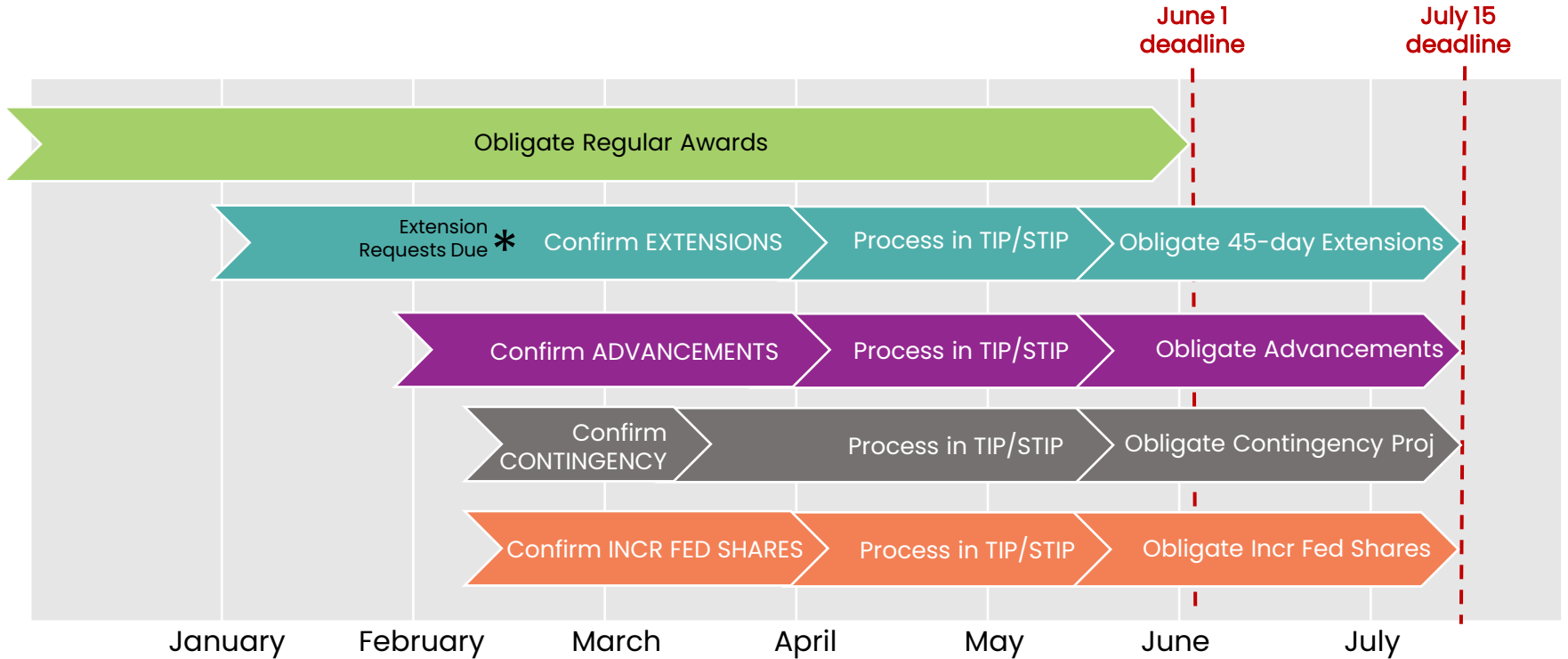


Data to Support Policy Change #4



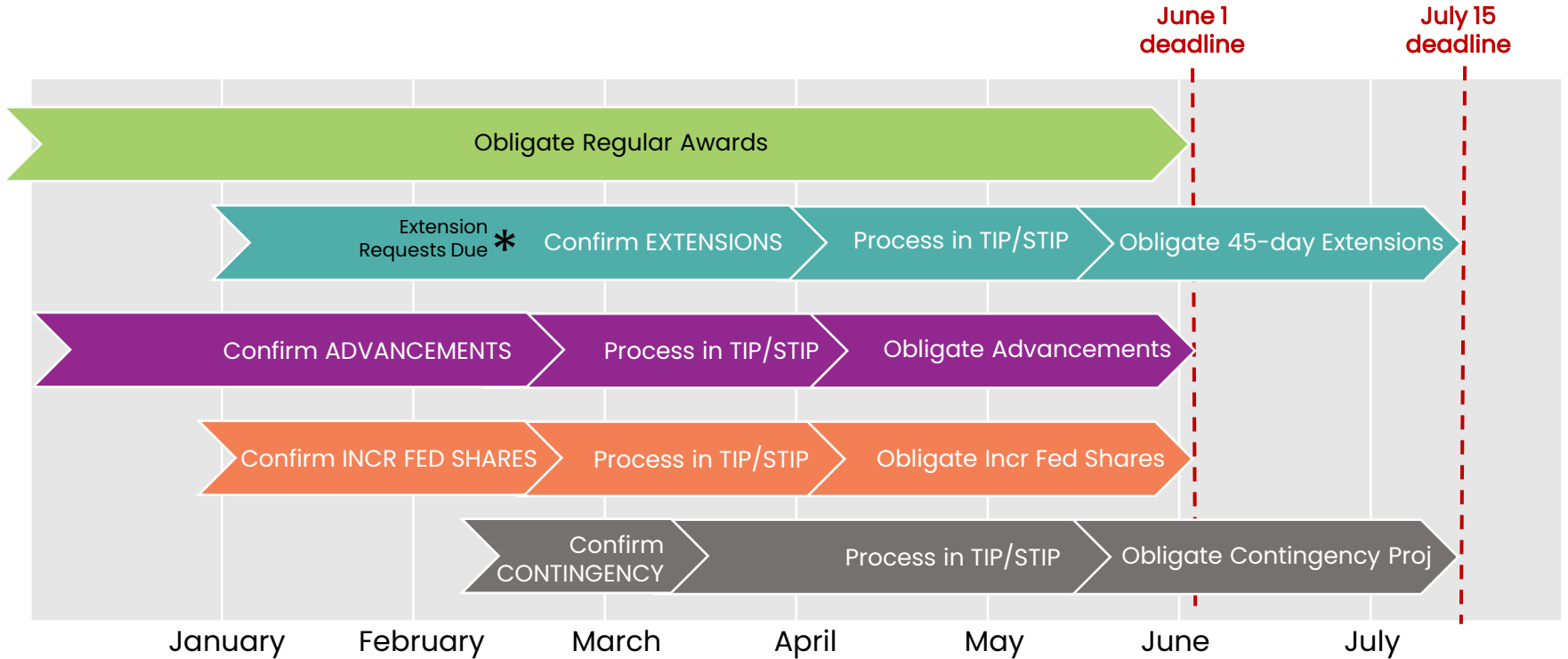
Data to Support Policy Change #4

Timeline - Current Procedures



Data to Support Policy Change #4

Timeline - Recommended Procedures



Action Item #4

Request RPEC recommend the following update to PSRC policies:

In the annual TIP rebalancing process, move up the obligation deadline for (1) projects advancing funds from later years of the TIP, and (2) those projects receiving an increase in federal share, from July 15 to June 1.



Thank You!

