

Project Delivery Policy Updates

Regional Project Evaluation Committee
December 1, 2023



Today's Presentation



- 2023 delivery debrief
- Synopsis of October actions
- Walk through remaining two policy recommendations – RPEC action will be requested for each one
- Next steps



2023 Project Delivery

PSRC Region:

- Delivered 85 projects
 - with total of ~\$116.5 million in FHWA funds
- Received ~\$4.5 million in redistributed Obligation Authority (OA)
 - Out of \$71.9 million available to local agencies in 2023



Project Delivery Policy Updates



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.



Project Delivery Policy Objectives

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.



At October Meeting

RPEC unanimously approved two policy recommendations developed by the Project Delivery Working Group, related to **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)



Today's Meeting

RPEC will be asked to discuss and take action on two remaining Working Group recommendations, related to the **annual rebalancing process**:

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



Annual 5-Step Rebalancing Process

Measures are implemented in the following order:

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.



Annual 5-Step Rebalancing Process

Reminder:

- Approach to increased federal shares was updated last year
Additional FHWA funds will be applied in even amounts to each eligible project, up to the maximum amount a project may receive while still meeting its non-federal match requirement.

Prior to this update, increase federal shares were applied as a percentage increase of the initially awarded amount



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

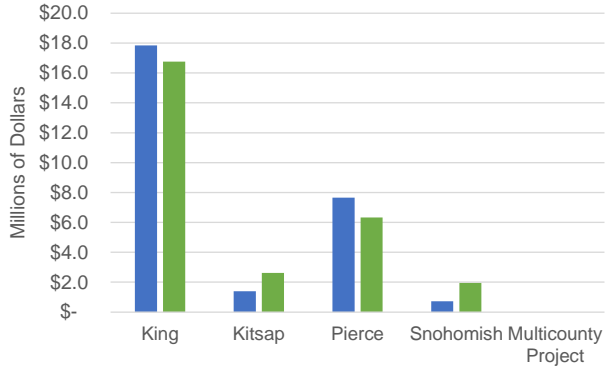
To still support their development and use, **contingency lists** would be implemented if:

- If freed up funds become available in later years of the TIP
- Step 4 of the rebalancing process, if necessary, in the current year

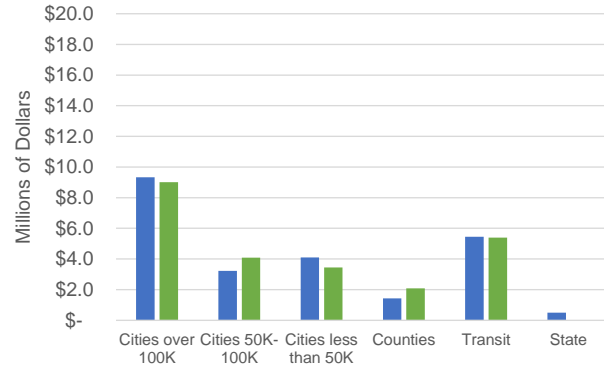
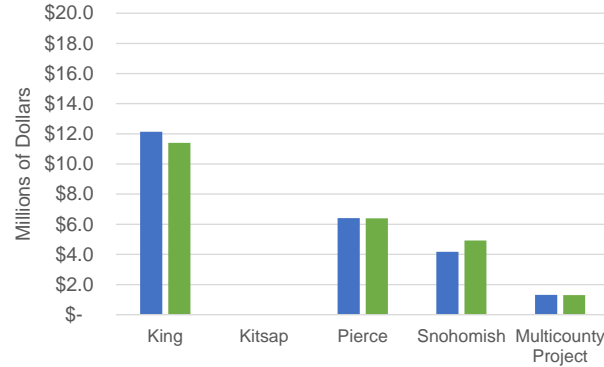


Data to Support Policy Change #3

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 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

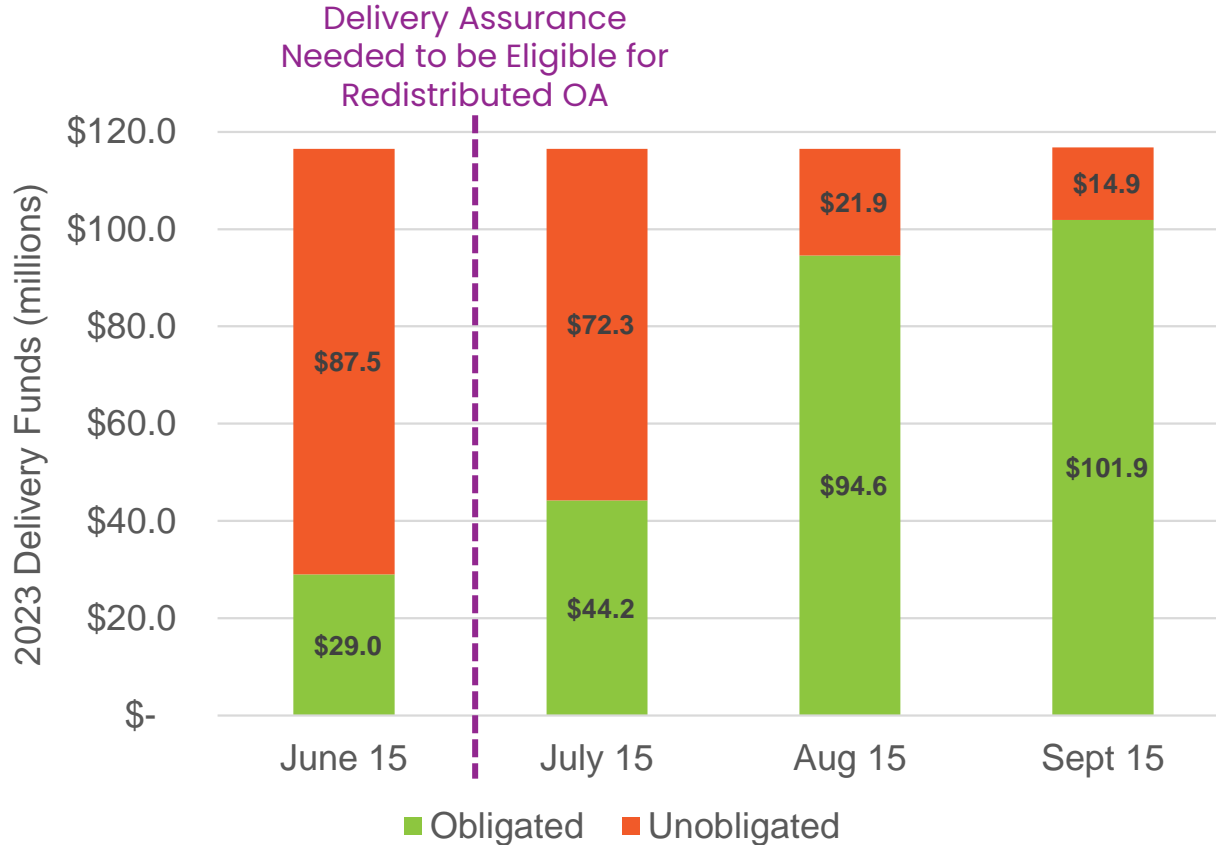
In the annual TIP rebalancing process, move up the obligation deadline for (1) projects advancing funds from later years of the TIP, and (2) those projects receiving an increase in federal share, from July 15 to June 1.

Issues Addressed:

- Some delivery issues result from insufficient planning by agencies, or a tendency to push right up to obligation deadlines.
- The higher the level of supplemental funding, the higher the number of obligations that push later into the year.
- A flood of submittals late in the year strains WSDOT review and can result in issues being identified late in the process.

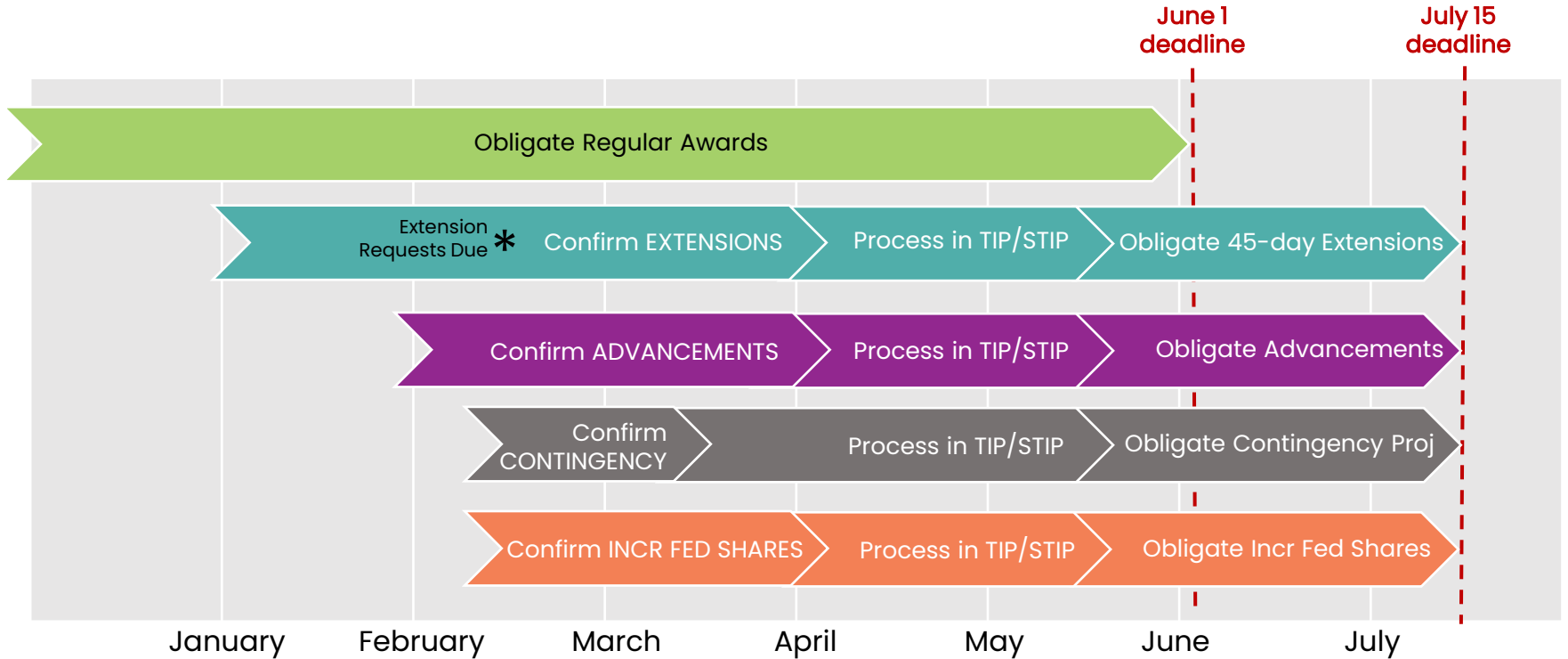


Data to Support Policy Change #4



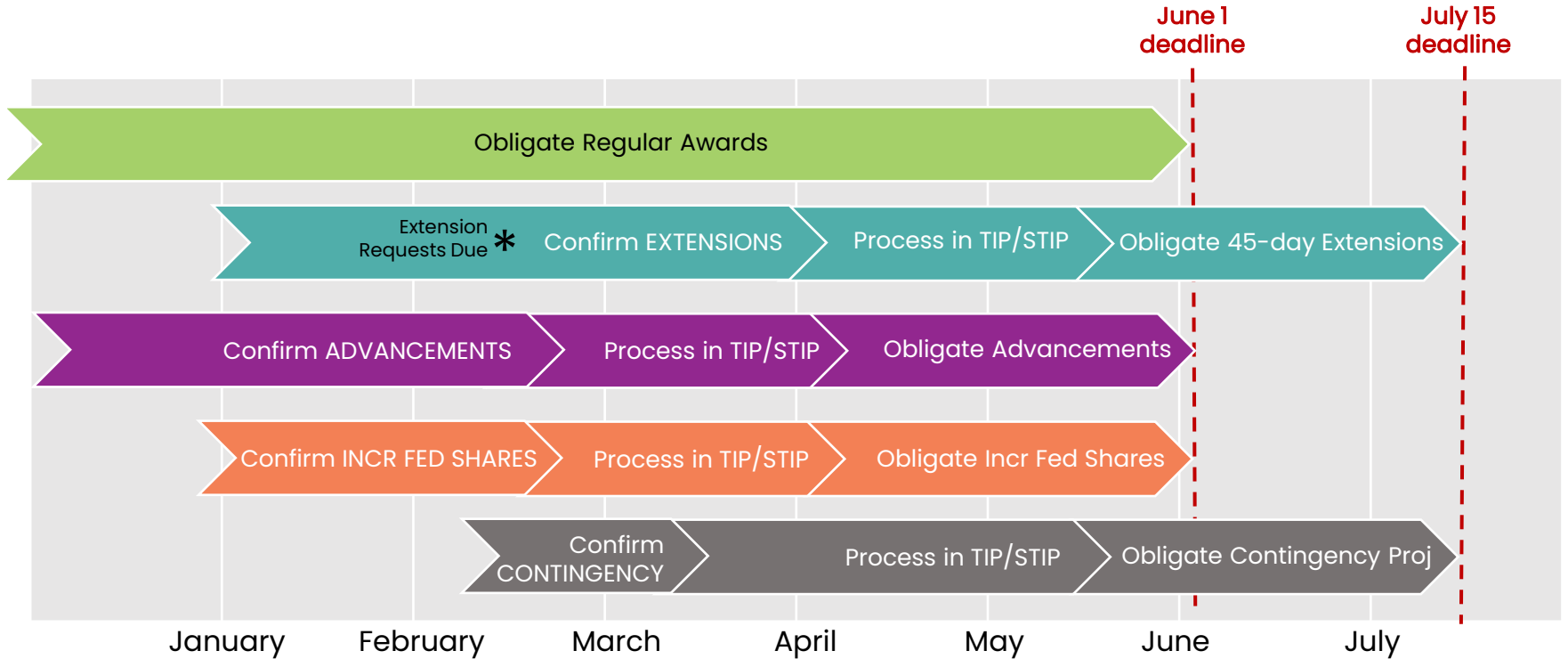
Process to Support Policy Change #4

Timeline - Current Procedures



Process 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.



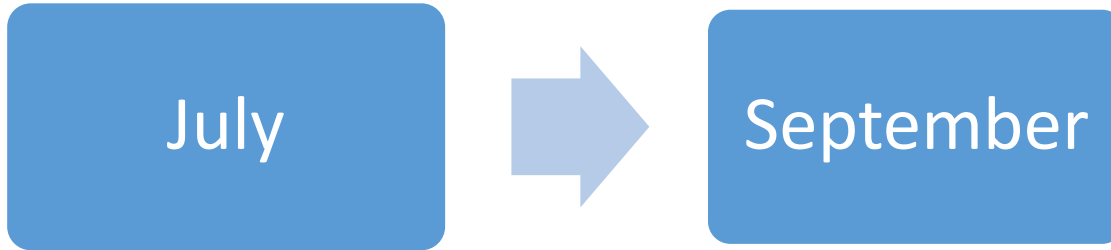
Next Steps

- RPEC recommendations will be brought to board in December
- TPB recommendations and Executive Board adoption of policy changes expected in January
- Adopted policy changes will be incorporated into 2024 funding competition and rebalancing process



Redistributed OA and Additional Allocations

Timing is everything



Scenario 2: Demonstrated delivery of Target *plus* additional funds – If available, redistributed OA and additional allocation possible for amounts above the target

Scenario 1: Target not met until end of FFY – No redistributed OA



Redistributed OA and Additional Allocations

Will this result in additional awarding of funds?

Maybe...and it depends...

- The more extensions and supplemental funding actions are in play, the less likely additional allocation will result in new awards
- The less extensions and supplemental funding actions are in play, the greater likelihood that additional allocation can be used for new awards in later years of the TIP



Thank You!

