

Project Tracking & Extension Requests

Transportation Policy Board
April 11, 2024



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



Today's Update



Photo: Washington State Department of Transportation

- Overview of Project Tracking Program
- Overview of Extension Process
- Project Tracking Action Request: Recommendation for one-year extension requests
- Discussion: Project Cost Increases



Overview and Background

Project Tracking Program and Policies:

- In place since 2003
- Goal = efficient and timely project delivery, minimize cost of delays, preserve federal funds coming to the region

Policies updated over time

- Current policies address annual delivery target for FHWA funds
 - Must be met or loss of unused funds
- Policies set firm obligation deadlines but allow opportunity for one extension



Overview and Background

Extensive monitoring and communication process

- Twice yearly monitoring of all PSRC-funded projects until completion
- Enhanced communication on project delivery status
 - PSRC staff maintain and regularly update a project tracking summary
 - Delivery status for each project shared monthly with the Regional Project Evaluation Committee (RPEC) and countywide forums
 - Regular coordination with WSDOT Local Programs



5-Step TIP Rebalancing Process

Should there be a gap to achieving the delivery target in any given year, the adopted policies are to follow these actions in priority order:

1. Advance projects from later years of the TIP
2. Exchange federal funds for local or state funds between phases of a single projects, or between projects within the same agency
3. Increase the federal share 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

Supplemental
funding action



Project Extension Process

Policies allow for a one-time extension of PSRC's June 1 deadline for FHWA funds

- **Short-term extension of 45 days** – these projects will still deliver in the current federal fiscal year
- **Long-term extension of 1 year** – these projects are moved to the next fiscal year, creating a gap to current year delivery

Applies only to Right-of-Way and Construction phases



Project Extension Process

Per adopted policies, extensions will not be granted due to:

- shifting priorities within the agency
- insufficient funding
- lack of certified grant administration status
- work was not begun in a reasonable time to meet the deadline

In general, reasons for delay must be outside the sponsor's control

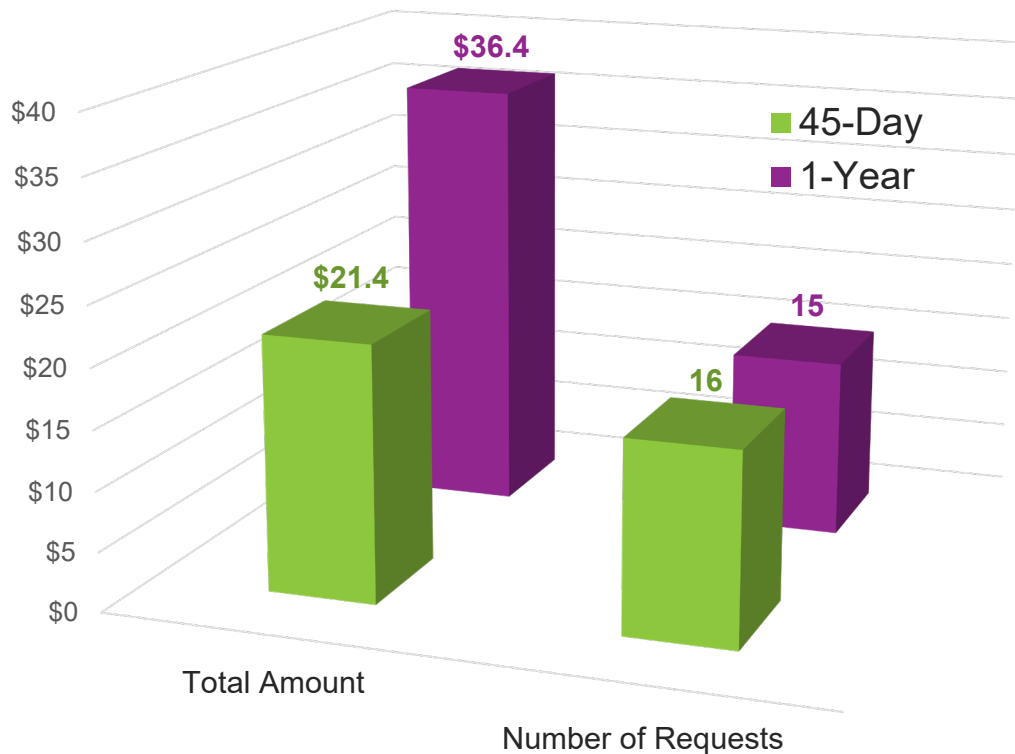


2024 Project Extension Process

- Extension requests were due to PSRC on February 15
- February/March – requests reviewed for consistency with adopted project tracking policies by PSRC staff, RPEC/Countywide Chairs, and WSDOT
 - *Included detailed follow-up with sponsors to address questions and clarify project circumstances*
- Extension requests with staff recommendations summarized in Attachment A



2024 Extension Requests

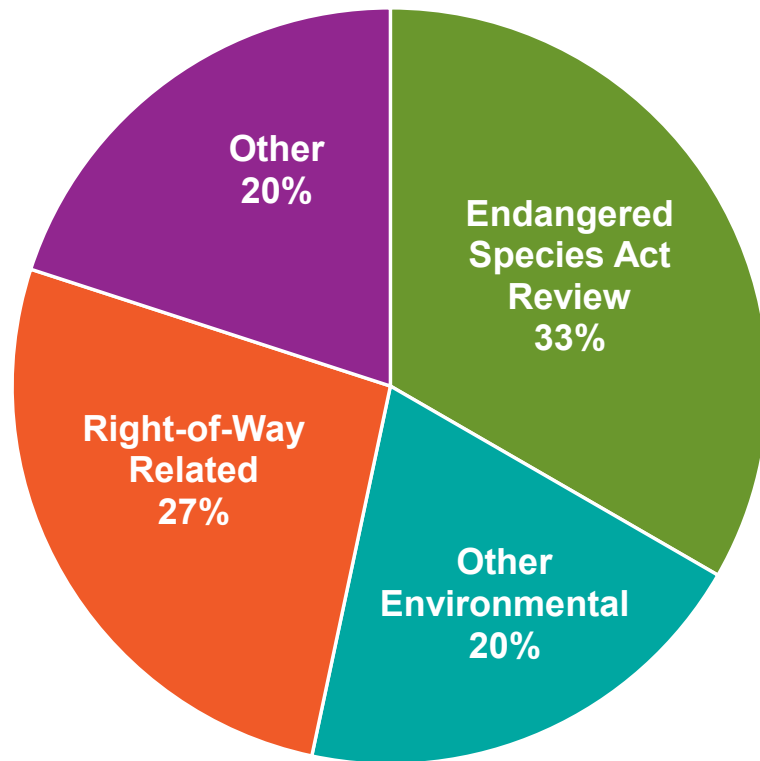


- One-year extensions
 - Add to delivery gap
- 45-day extensions
 - Do not add to gap
 - Information only



2024 Extension Requests

One-year extensions:
reasons for delay



Request for Action

The Transportation Policy Board recommends the Executive Board approve the actions related to 2024 project extension requests as identified in Attachment A



Project Cost Increases

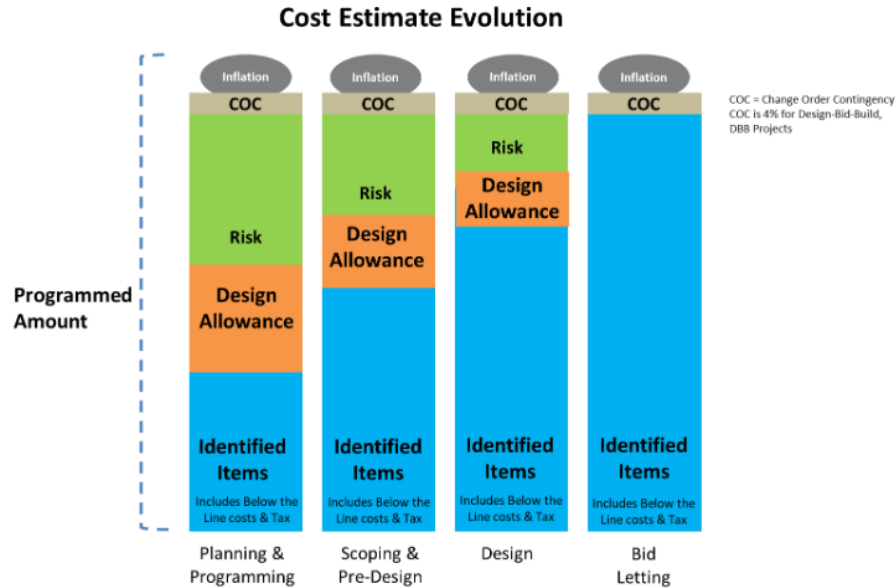
Process for PSRC's Federal Funds

- At point of competition and award –
 - Sponsors provide a scope and an estimated budget
 - Funds are competitively awarded based on this information
 - *Estimates are more accurate once Preliminary Engineering / Design is advanced*
- Per adopted policy –
 - The only opportunity to fund cost increases with PSRC funds is during the annual rebalancing process to achieve the delivery target
 - The information provided at time of award is used to apply this increase



Project Cost Increases

Exhibit 7-1 Costs included in the Programmed Amount



Source: WSDOT Cost Estimating Manual for Projects, 2023

Agency cost estimation process incorporates:

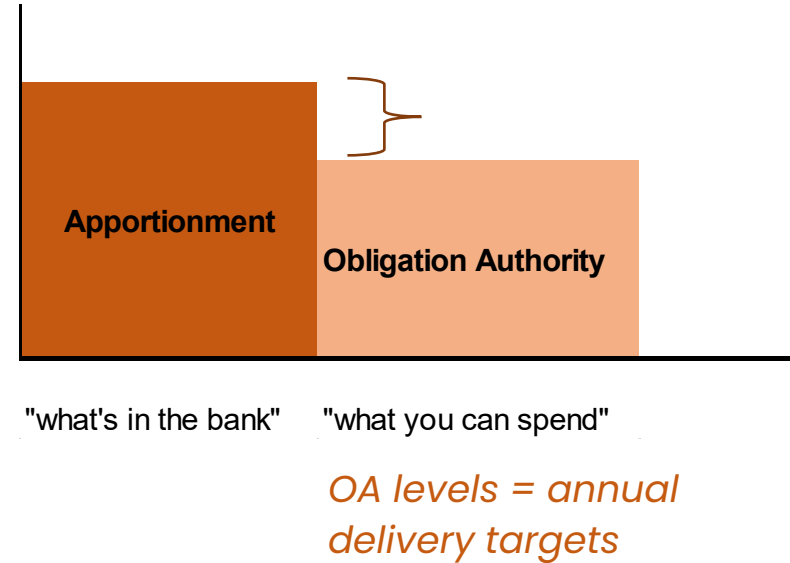
- Evolving scope, project needs and requirements
- Inflation
- *Risk & uncertainty is factored into project estimate in contingency levels*

Once construction bid is released:

- Market factors above and beyond best project estimate

Potential Opportunity Post-Bid

- Obligation authority (OA) is typically set at lower levels than total apportionment
- When states do not fully utilize their OA, it is *redistributed*
- Washington State routinely receives an amount of *redistributed OA* each year
- Regions such as PSRC can participate; allows us to tap into additional apportionment – *if we can use it*



Conditions

To receive any of the *redistributed OA*, the region must:

1. Achieve our annual delivery target by end of June / early July
2. Have additional projects already identified that can immediately deliver
 - No processing time
 - No TIP amendment
 - No new projects or phases
 - In general – projects that have already obligated and have received bids higher than estimates

Challenges

- Each year there is routinely a gap to achieving the region's delivery target by the deadline
- PSRC works to fill the gap no later than May of each year
 - E.g., the supplemental funding action taken in March to increase federal shares for current year awards
- All projects in the current year *must* deliver by the deadline or the region is not eligible to pursue *redistributed OA*

PSRC will continue to monitor delivery and conduct outreach on this opportunity and potential eligible projects

Thank You!

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