Overview

• Project Tracking and Delivery Background
• Obligation Delivery Policies and Procedures
  • Overview and Recommendation
• 2019 Delivery Status
• Supplemental Funding Recommendation
• Next Steps
PSRC’s Project Tracking Program

• Purpose:
  • Ensure the timely and efficient use of PSRC’s federal funds
  • Meet annual delivery requirements, and ensure funds are not lost to other regions
  • Position the region to receive additional funding authority by demonstrating the ability to deliver projects
PSRC’s Project Tracking Program

- Project Tracking Policies
  - Obligation deadline is June 1\textsuperscript{st} of the programmed year for FHWA funds
    - \textit{State delivery target deadline is August 1\textsuperscript{st}}
  - Sponsors can apply for a six-month extension for Right of Way and Construction phases
  - Regional FTA funds are allowed a one-year extension
  - Progress reports are submitted twice a year
Annual Activities – FHWA Funds

• Funds must be balanced by year in the TIP
  • Balanced to estimated federal allocation amounts – i.e. delivery target
• Extension requests move funds to next fiscal year
• Work to rebalance by moving other projects forward, and ensure delivery target is met
  • If not enough projects can advance, other actions are taken to ensure delivery target is met
  • If target is not met, funds may be lost to the region – use it or lose it
Today’s Actions

• Proposed updates to the policies and procedures for meeting FHWA delivery targets this year and into the future

• Explain actions taken this year to achieve the target and rebalancing
  • Requires a supplemental funding action
Obligation Delivery Policies and Procedures

When there is a gap in meeting the annual delivery target –

• Due to extensions moving projects to the next fiscal year,
• Additional funds from returns and canceled projects, and
• Additional funds from higher allocations

The existing policies are to:

1. Advance projects that are able to deliver in the current year but are currently programmed in later years;
2. Award new funds to projects on the adopted contingency list; and
3. As needed, award new funds to other immediately ready to go projects
Updates are proposed to the existing policies, to address changing circumstances and rules over the last five years

• Guiding Principles =
  • Neutral impact on PSRC awards is preferred
    • stay within existing programming
    • no net change to funding totals
  • Adhere to existing policies and procedures to the extent possible
    ➢ geographic equity principles
    ➢ respect for the original project selection process
Obligation Delivery Policies and Procedures

Proposed revision creates prioritized strategies for achieving annual targets:

- **Strategy 1** = Advance projects from later years
- **Strategy 2** (if needed) = Exchange local and federal funds among projects within the same agency

<table>
<thead>
<tr>
<th></th>
<th>2019 Project</th>
<th>2021 Project</th>
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<tbody>
<tr>
<td><strong>PSRC Funds</strong></td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td><strong>Local Funds</strong></td>
<td>$150</td>
<td>$50</td>
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</tbody>
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No net increase to any project under Strategies 1 and 2
If implementation of Strategies 1 and 2 are not enough to meet the delivery target, a supplemental funding action is needed:

- **Strategy 3** = Fund immediately ready to go contingency projects
- **Strategy 4** (if needed) = Increase the federal share of existing projects
  - Begin with current year delivery projects, and apply a consistent percentage increase to meet the remaining gap; move to active projects from earlier years if necessary
Obligation Delivery Policies and Procedures

If implementation of Strategies 1 through 4 are not enough to meet the delivery target:

- **Strategy 5** (option of last resort): New funds to new projects, outside of contingency list
  - Projects that are able to quickly utilize additional federal funds; outside of standard project selection process
2019 Delivery Status

• Gap to 2019 delivery target, after extensions, returns, higher allocations = $43m total

  • Two types of FHWA fund sources: Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement Program (CMAQ)

  • Delivery target differentiates by color of money:
    • $43m gap to target = $32.5m of STP, $10.5m of CMAQ
2019 Delivery Status

- Implementing the prioritized strategies as contained in the recommended policies and procedures:
  - Strategy 1: Projects that can advance into 2019
    - $35m total: $16m of STP, $18m of CMAQ
    - Delivery gap for CMAQ met by Strategy 1; still a gap remaining for STP
  - Strategy 2: Projects that can exchange local for STP funds = $5.4m
    - Still a gap to meet the STP delivery target, so a supplemental funding action is required
2019 Delivery Status

• Attachment 2 identifies those projects on the adopted contingency lists that are immediately ready to go
  • With this supplemental funding of $16m, the delivery target will just barely be met
  • Recommendation is to provide an additional buffer, in case additional returns or missed deadlines occur between now and August 1\textsuperscript{st}

• Attachment 2 also identifies the projects for an increase to their previous award, for a total of $7m
  • Includes a “hardship” recommendation of $1.3m to the City of Port Orchard’s Tremont Street Widening project
The Executive Board is asked to approve the following:

- The revised policies and procedures for achieving PSRC’s annual FHWA delivery targets, as identified in Attachment 1; and
- A supplemental funding action to award PSRC’s FHWA funds to the list of projects as identified in Attachment 2 for $23m
Next Steps

• Each year delivery becomes more and more challenging
  • High level of extensions, ongoing returns
• Achieving delivery is requiring greater deviations from the standard process – 2019 is requiring four of the five strategies to achieve the target
• Ongoing work:
  • Continue the Project Delivery Working Group to brainstorm options for addressing the problem, changes to the process
  • Discuss the topic with the Project Selection Task Force
  • Offer a “Delivery Summit” to educate, learn best practices, etc.