Overview

• Project Tracking and Delivery Background
• Port Orchard Request
• Obligation Delivery Policies and Procedures
  • Overview and Recommendation
• 2019 Delivery Status
  • Review of Materials
• 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; and
  • 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 1st of the programmed year for FHWA funds

    • State delivery target deadline is August 1st

  • 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
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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
Obligation Delivery Policies and Procedures

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

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
  - Project A can utilize more federal funds in the current year, exchanges local funds for federal funds in Project B which is in a later year
  - Project B would remain subject to PSRC’s project tracking policies and would not be allowed to reapply for PSRC funding for that phase

• *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
  - If more projects are available than needed, standard percentages among forums would be applied

- **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
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
Summary of Action on Policies and Procedures

The board is asked to recommend the updated Policies and Procedures as provided in Attachment 1 (page 16-17) for how the region will address annual delivery targets, which describe the measures to be taken if there are not enough projects able to deliver in a given year, in priority order:

1. Advance projects from later years
2. Exchange funds among projects within the same agency
3. Fund immediately ready to go contingency projects
4. Increase the federal share of existing projects
5. New funds to new projects, outside of contingency list
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:

  • Attachment 2 (page 18) identifies the 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

  • Attachment 3 (page 19) identifies the projects that can exchange local for STP funds - $5.4m
2019 Delivery Status

- Still a gap to delivery, so Attachment 4 (page 20) 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.

- RPEC recommendation is to provide an additional buffer, in case additional returns or missed deadlines occur between now and August 1st.

- Attachment 5 (page 30) identifies the projects for an increase to their previous award, for a total “safety net” of ~$5.7m.
Summary of Supplemental Funding Action

- Total of $21.7m of new funding to immediately ready to go projects in Attachments 4 and 5
  - From adopted contingency lists and increased amount to previously awarded projects
  - This amount will not “borrow ahead” from the next project selection process, for 2023-2024 funds:
    - The 2019 supplemental funding action will include the amount from current returns and higher allocations known for 2019, and
    - Assumes a similar amount will occur in 2020-2022
  - Will reduce potential for “normal” contingency distribution
The TPB is asked to recommend Executive Board approval of 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 Attachments 4 and 5. The board is asked to consider the request by the City of Port Orchard, to either amend or supplement these attachments.
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.