

# Project Tracking & Delivery

Transportation Policy Board  
April 13, 2023



# Today's Presentation and Action Items

- Overview of Project Tracking Program, Adopted Policies and Delivery
- 4 Distinct Actions Requested:
  - Project Extension Recommendations
  - Project Exception Request
  - Recommendation for Policy Addition
  - Supplemental Funding Action



# 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
- Also includes an exceptions / emergency provision policy



# Overview and Background

5-Step Process for rebalancing and supplemental funding actions, if necessary to fill a gap to delivery each year:

1. Advance projects from later years of the TIP
2. Exchange federal funds for local or 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 the federal share of awarded projects
5. Award new funds to new projects, outside of the standard PSRC project selection process



# 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 throughout the year to track delivery
  - Delivery status for each project shared with the Regional Project Evaluation Committee and countywide forums on a monthly basis



# Overview and Background

The annual FHWA delivery target requirement has been in place since 2013

- 8 of the last 10 fiscal years has required a supplemental funding action to meet the delivery target
- For the first time, in 2022 the PSRC region did not meet the delivery target
  - *Issues occurred in last several months of fiscal year*
  - 1-year grace period before funds are lost
  - Must deliver 2023 allocation *plus* unused portion from 2022 or funds will be lost



# Today's Actions

## Addressing 2023 and future years' delivery

- Project Extension Recommendations
- Project Exception Request
- Recommendation for Policy Addition
- Supplemental Funding Action

Allowed under policies to address certain project delays, but impact current year delivery

Will address 2022 issues and provide additional tools to achieve delivery when needed

Using rebalancing strategies in adopted policies to “fill the gap” from extensions, returned funds, canceled projects, etc.



# Project Extensions Process

- Project tracking 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 Extensions Process

- Per the 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, a lens of “outside the sponsor’s control”*



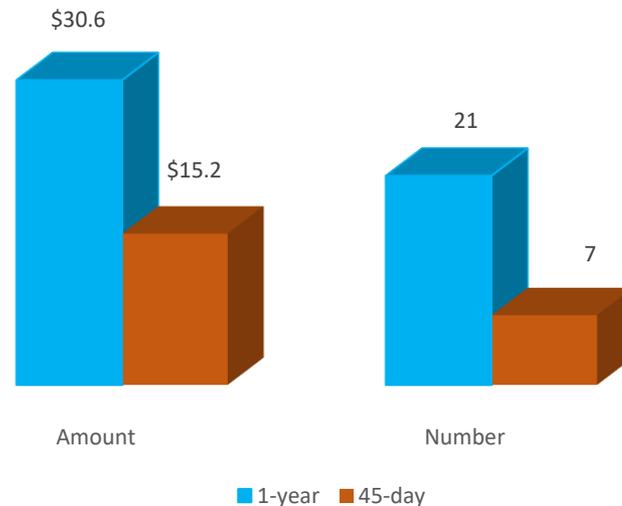
# 2023 Project Extension Requests

- Extension requests were due to PSRC on February 15, 2023
- In February and March, requests reviewed for consistency with adopted project tracking policies by PSRC and the RPEC / Countywide Chairs / WSDOT committee
  - Included detailed follow-up with sponsors to address questions and clarify project circumstances
- Extension requests with staff recommendations summarized in Attachment 1



# 2023 Project Extension Requests

- 21 one-year extension requests
  - Total of \$30.6 million
- Seven 45-day extension requests (for information only)
  - Total of \$15.2 million
  - Still within 2023 delivery window



# 2023 Project Extension Requests

- 19 project extension requests recommended for approval
  - *Reasons for delay deemed consistent with the adopted policies*
- Two project extension requests recommended to be denied
  1. *Mountlake Terrace: ongoing staffing issues deemed not consistent with adopted policies, and project schedule of activities determined could have begun earlier to meet the deadline*
    - *Agency may recompete for funding next year or in this summer's Transportation Alternatives Program competition*



# 2023 Project Extension Requests

2. *Seattle: delay due to shifting priorities within the agency and desired changes to the project scope, deemed not consistent with adopted policies*
  - *City provided an alternative resolution which allows them to meet the original June 1 deadline with the original scope of work, at a lesser funding amount*
  - *A portion of funding will be returned, and the City will pursue the additional scope with local funds and on a separate timeframe*



# 2023 Project Extensions - Action

The Transportation Policy Board recommends the Executive Board approve the staff recommendations for the 2023 project extension requests

- including the approval of 19 one-year extensions and the denial of 2 one-year extensions per the list of projects identified in Attachment 1



# Project Exception Request

- Project Tracking Policies include limited provisions to request an exception to the adopted policies
- Evaluated on a case-by-case basis by the board, under certain conditions
  - There is a compelling need for the exception
  - The project remains fully funded
  - The phase must be implemented within 6 months of board action



# Project Exception Request

- “Compelling need” may include:
  - Significant loss of opportunity if the exception is not granted
  - Determined on a case by case basis, but must be outside the sponsor’s control
- “Compelling need” may not include:
  - Scope changes
  - Need for additional funding
  - Moving funds from one project to another



# Project Exception Request

- Request for exception from Kitsap County for the National STEM School Project
  - Received a 1-year extension in 2022, requesting additional time beyond June 1, 2023
    - Per policies, an additional 6 months is allowed; staff propose the clock begin at the end of the existing June 1 extension
  - Substantial and unforeseen delay in federal reviews by the U.S. National Marine Fisheries Service
    - Related to new policy concerning stormwater draining to Puget Sound



# Project Exception Request

- Review of request per adopted policies:
  - County submitted environmental documentation in a timely manner and project work was advanced on schedule to meet the original deadline
  - County has demonstrated effort to keep the project moving forward and meet all requirements
  - Emergent issue outside the agency's control
  - Project remains fully funded, and will be able to proceed immediately upon federal approval



# Project Exception Request – Action

The Transportation Policy Board recommends the Executive Board approve an exception in accordance with the adopted project tracking policies for Kitsap County's National STEM School project, to allow an additional 6-months beyond the previously granted 1-year extension, to December 1, 2023.



# Project Tracking Policy Addition

- To address ongoing delivery issues, staff convened a Project Delivery Working Group
- Representation from Regional Project Evaluation Committee and the four countywide transportation staff forums
- Initial focus January through March 2023: last minute 'emergency' measures that can address unanticipated delivery gaps
- Second phase will focus on review of overall project tracking policies and rebalancing process



# Project Tracking Policy Addition

- Consideration of “emergency” measures:
  - Quick turnaround, no board or state processing times
  - Affecting existing projects only
  - Maintain scopes and schedules of projects as awarded
  - Only used in the event an unexpected and last-minute gap to delivery arises after June each year
    - i.e., after initial board actions on delivery and with limited time before end of fiscal year



# Project Tracking Policy Addition

- Recommendation from the Project Delivery Working Group and the Regional Project Evaluation Committee:
  - Builds from the existing policies and rebalancing strategies
  - Focuses on the ability to increase the federal shares of existing project awards
  - Also includes an administrative change to how that calculation will be applied during rebalancing, if needed



# Project Tracking Policy Addition - Action

The Transportation Policy Board recommends the Executive Board approve the following additions to the Project Tracking Policies as identified in Attachment 3:

- An administrative modification to Strategy 4 of the Rebalancing and Supplemental Funding Actions policy – *“Increase the Federal Share of Awarded Projects”* – to apply absolute dollar amounts instead of percentage increases
- Grant the Executive Director authority to revisit the federal shares of awarded projects for additional capacity if unexpected project delivery needs arise after the initial rebalancing and supplemental funding actions are taken



# Supplemental Funding Action

- After extensions & returns, gap to 2023 delivery target = ~\$36M

Applying adopted rebalancing strategies:

1. Advance projects from later years of the TIP
2. Exchange federal funds for local or 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
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# Supplemental Funding Action

- Strategy 1, advancing awarded projects from later years: ~\$18M
  - *Gap reduced to ~\$18m*
- No candidate projects for Strategy 2
- Strategy 3, supplemental funding action for immediately ready-to-go projects from adopted contingency lists:
  - *Including a proposed buffer, per past practice, to mitigate for any further delivery issues, returns, etc.*
  - Recommend total of **\$28m**, as identified in Attachment 4



# Action – Supplemental Funding

The Transportation Policy Board recommends the Executive Board approve the supplemental funding action to the list of immediately ready-to-go contingency projects identified in Attachment 4 to assist the region in meeting the annual delivery target.



# Thank you

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