

# PSAR program improvements

V10.5.17

Please send comments to Suzanna: Suzanna.stoike@psp.wa.gov by November 1, 2017.

## ➤ Regional Policy

### **1) Up to and no more than 15 large capital projects – one per watershed.**

***SUGGESTED EDIT:* No more than 15 large capital projects (or \$xx amount in requests) for Puget Sound.**

**OPTION 1.1:** Pre-proposals (draft application materials in PRISM & Letter of support from the Lead Entity) Large Capital projects will be submitted to the region in **March**. A preliminary review takes place that “tiers” the projects. The <top 15 projects/projects up to a certain funding amount> move forward in the review process.

**Gaps:** Who will perform the review (assume no funding to support regional reviewers)?

- Each Lead Entity provides 1-2 reviewers from their technical group.
- The SRC Executive Committee identifies a workgroup to perform a pre-evaluation and invites the top 15 for full proposals.
- The Salmon Science Advisory Group (SSAG) performs an initial review.

**Questions:**

- How does this work with watershed site visit timeline?
- Any other considerations?

**OPTION 1.2:** The region (Puget Sound Partnership/SRC, RCO) limits the number of projects on a per-watershed basis.

**Questions:**

- Could we impose limits by watershed, based on the size of the watershed or allocation amount? (1 per watershed for smaller areas, 3 per watershed for larger areas)?

### **2) No more than 2 alternates per area on regular round project lists, based on a typical allocation at \$30M. (2019-2021)**

**OPTION 2.1:** No more than 10% of a watershed’s allocation amount, or no more than 2 projects (whichever is greater) represented as alternative projects on the regular round project lists, based on a typical allocation at \$30M.

**OPTION 2.2:** Allow watersheds to “trade” their alternates, so that no more than 30 alternates are put forward for the region.

**QUESTIONS:**

- **(For RCO)** Is this a reasonable option?
- Who will track all the trading that will occur?
- Who will decide when there isn’t agreement on what projects move forward?

**3) Eliminate the potential to switch projects from the large capital program back to the regular round after final lists are submitted in August. (2019-2021)**

**Option 3.1:** An earlier “tier” assessment (see recommendation 1, option 1.1) would indicate a project’s likelihood of success within the large capital program. Different, non-overlapping elements of the project can still be put forward in both regular round and large capital, but the scope and budget must reflect the separation.

**Limitation:** We cannot have the same project on 2 lists (both the local project list and the Partnership’s list) asking for the same funding source in the same budget request through RCO. Either the region makes the request or the local area.

**QUESTIONS:**

- How best do we provide a forecast of a project’s success within the large capital program?
- Who should provide that review for a tier?
- When does that need to happen for your decision making to take place (deciding if it is on the regular round list or on the large capital list)?

➤ **Regional Program**

**4) Eliminate the potential for appeals after September from the SRFB review panel with the large capital program. PSAR large capital projects that are still labeled a POC at this point would not advance to a discussion with the SRFB in December and would not be eligible for funding that biennium. (2019-2021)**

***Suggested edit:*** Projects of Concern not cleared at the October SRFB review panel meeting would not be eligible for PSAR large capital funds.

**OPTION 4.1:** SRFB Review panel provides a final review of PSAR large capital projects following the October meeting. Those projects not cleared would drop off of the ranked list.

**Questions:**

- **(For RCO)** Would the SRFB review panel be able to provide an early label to “POCed” projects for just the large capital projects at the September?
- Would Lead Entities want the ability to take the project back into their regular round list and petition the SRFB to allow the project to move forward in their regular round? If so...
  - **(For RCO)** Would the project still be able to be adopted into the regular round list after October?

**Limitations:**

- Review and scoring must happen before November. Like all Lead Entities, the region must also enter their final ranked list into PRISM by November 7<sup>th</sup> at the latest (under the current 2017 Manual 18 timeline (copied below)). Additionally, we submit our list alongside the budget request in September and having final materials for that submittal is extremely beneficial.

➤ **Regional Criteria**

**5) Include new PRISM information on the fiscal responsibility and project management abilities of the sponsor(s) in the evaluation of the “likelihood of success” criteria in the large capital program. (2019-2021)**

***Suggested edit:*** Include a question in the PRISM application that addresses a sponsor’s track record of successful project management.

**OPTION 5.1:** In current SRFB application, question 10 states “Describe the sponsors experience managing this type of project. Please describe other projects where the sponsor successfully used a similar approach”.

Update the large capital supplemental questions to include to “**Likelihood of success:** Please provide a list of projects with a short description that demonstrate the sponsor’s ability to manage a similar type and scale of project, or other projects where the sponsor demonstrated excellent project management (on time, on or under budget).”

**OPTION 5.2:** Update the SRFB question to provide more description of the projects that show success. Use the answer within the SRFB application as part of the large capital review.

**OPTION 5.3:** Do not update the SRFB question, and do not create an additional large capital supplemental question. Create guidance around how reviewers should interpret and score the answers provided for question 10 (It would be clear within the PSAR supplemental question section that this question would be used as part of the scoring for large cap).

**Questions:**

- Is this the fairest way to show the sponsor's ability?
- (For RCO) Can we edit the question within PRISM and in the application?
- How many points are fair to allocate for this "Likelihood of success" criteria?
- Should we include this as part of the "shovel ready" criteria (see recommendation #6)?

**Gaps:**

- Need to develop guidance for how to score this part of the proposal (shows high ability/majority of projects on time/under budget; shows some cause for concern/some projects not completed on time/ on budget; no experience (no points for or against))

**6) Re-evaluate how we quantify "shovel ready" within the large capital scoring and ranking process. (2019-2021) (updated the timeframe for implementation to this upcoming biennium)**

**OPTION 6.1:** Include 5 points from "likelihood of success" in the "shovel ready" score, making the total score available 20 points.

For **restoration** projects - level of design work completed for project

- 15 pts: Final design and permitting are complete
- 10 pts: Final design is complete and permitting has begun
- 5 pts: Preliminary design is complete

For **acquisition** projects - stage of project development

- 15 pts: legally binding purchase option completed, backed by appraisal
- 10 pts: Price not established; landowner willingness indicated
- 5 pts: Specific parcels identified; documented positive discussions with landowners taking place

For **Likelihood of success** - level of project management success demonstrated.

- 5 pts: Sponsor and partners show exemplary project management; previously funded projects are closed complete, in good standing
- 3 pts: Sponsors do not provide adequate information on success; previously funded projects did not close in good standing
- 0 pts: Sponsors failed to answer the question

*\*\*These scoring guidelines are DRAFT and open to edits.*

**7) Require “final design” deliverables before consideration of construction funding in the large capital program. (2019- 2021)**

***Suggested edit:* Projects requesting construction funding must provide final design deliverables within 1 year of contracting. All projects receiving construction funding awards without providing final design deliverables will be conditioned and reviewed at 1 year.**

**Questions:**

- (For RCO) Can we create a conditioned status for projects requesting construction dollars without a final design?
- Is one year a reasonable amount of time to allow projects to move forward sequentially, and continue to seek funding on a 2 year basis?

**8) Create stronger requirements for showing a project’s consistency with the Action Agenda, narrow the number of Vital Sign linkages possible, and create more rigorous scoring criteria in how to allocate points. (2019-2021)**

**OPTION 8.1:** Limit the available connections to exclusively **habitat** vital signs: Shoreline armoring, Land cover and development, floodplains, estuaries, and eelgrass.

**OPTION 8.1.1:** Include habitat (see above), healthy water quality (freshwater quality, marine sediment quality, marine water quality, toxics in fish), and abundant water (summer stream flow) vital signs.

**OPTION 8.2:** Limit the connections to the 10 Vital Signs in the regional NTA solicitation. Those are Chinook (and other salmon), Estuaries (and pocket estuaries), Floodplains, Freshwater Quality, Land Development & Cover, Marine Water Quality, Shellfish Beds, Shoreline Armoring, Summer Stream Flows, and Toxics in Fish. Projects must show alignment with regional priorities, which describe the specific approaches, interim outcomes, and action ideas that are a priority for advancing the recovery of the Area of Focus Vital Signs over the next 4 years.

This is the current point system used in the RFP:

1. **(20 points)** Makes progress toward a Puget Sound Action Agenda Vital Sign for protection and restoration of habitat, such as Shoreline Armoring, Eelgrass, Land Cover and Land Development, Floodplains, Estuaries, or Water Quantity/Quality. Proposals should clearly describe this connection.
  - a. (20): The proposal clearly describes how the project will significantly advance at least one of the Action Agenda vital signs for protection and restoration of habitat in the region using quantitative metrics.

- b. (0-19): points will be awarded depending on the degree to which progress is made. Point allocation should represent much of the range from 0 to 19, and should clearly discern most projects in rank order of magnitude of improvement to Vital Signs.

➤ Pilot opportunities

**9) Apply the PSP guidance on Chinook salmon projects and climate change to the PSAR large capital criteria. (2021-2023)**

*No suggested edits. Note that this is on a voluntary basis and no scoring criteria will be attached to climate change at this point on a regional level.*

**Opportunity:** Work with the NOAA Sea Grant Coastal Resilience group and other capital program partners (e.g. ESRP, FbD) to better develop consistent guidance and scoring criteria.

**10) Create a contingency fund for PSAR of \$500,000 to allow for opportunistic funding opportunities like strategic acquisitions or other time-sensitive costs. (2021-2023)** (amended the biennium for 21-23)

***Suggested edit: Set aside more than \$500,000.***

**OPTION 10.1:** Emergency fund request form created and requests are approved jointly by the Partnership and RCO.

**Questions:**

- What constitutes an “emergency” for a project?
- Who should evaluate these requests?
- Were there any other specific concerns or opportunities here?

**Limitations:**

- It is rare that requests for funding are made to the Legislature without a specific place to obligate those funds. We may need more time to develop the criteria for an emergency fund source for projects within PSAR, so the biennium for implementation was extended.
- Projects would still need to go through SRFB review.

**11) Include opportunity for additional points for projects that are part of a previously funded project (i.e. “portfolio project”), assuming the**

**project sponsor has demonstrated good project management and the project is meeting all milestones. (2021-2023)**

*No suggested edits.*

**OPTION 11.1:** Streamline materials needed for the application process and award a small amount of additional points to portfolio projects meeting “portfolio” status.

**Gaps:**

- Evaluation/determination criteria of the need for additional regional technical review, above that provided through the SRFB review, for portfolio projects (e.g. within original scope, no additional design or engineering).

**Questions:**

- Should points be awarded to projects that have received PSAR large capital funding prior? If so, how many?
- What are the requirements of being considered a portfolio project (“portfolio status”) (e.g. project is in good standing, project is within scope)?

**Considerations:**

- All projects, regardless of their status as a “portfolio project”, must undergo SRFB review. SRFB reviewers are always considering past funding of projects in their review but evaluate each project on their individual technical merit.

➤ **Program Management**

**12) Ensure that the Partnership has capacity for implementing program improvements and overall program management. (2019-2021)**

*No suggested edits.*

**OPTION 12.1:** Fund a 1.0 FTE for PSAR management prior to allocating funding towards projects or capacity. Estimated cost is \$240,000 for 2 years.

**Questions:**

- Are there any additional considerations for this?

**Additional ongoing work that does not need further vetting or approving at this time:**

- Create guidance for local development of standard criteria to be used by all watersheds to ensure fit to the Chinook Recovery strategy
- Establish a minimum scoring requirement for all projects at the Lead Entity level (low scoring projects would not meet the threshold for inclusion on the funded list).

- Investigate, along with RCO grant managers, how to reduce the number of Projects of Concern and Conditioned projects and update eligibility requirements.
- Refine further the limitations and guidelines for “bundled” projects.
- Investigate the Salmon Benefit Index (SBI) as a way to score and rank large capital projects.

**Table showing recommendation 2 – 10% allocation:**

WRIA	Recovery Units	(10% allocation)
1	Nooksack	\$ 239,290.58
2	San Juan Islands	\$ 103,344.36
3 & 4	Skagit	\$ 416,989.67
5	Stillaguamish	\$ 185,697.61
6	Island	\$ 80,982.90
7	Snohomish	\$ 190,284.58
8	Lake Washington/Cedar/ Sammamish	\$ 145,750.87
9	Green <sup>1</sup>	\$ 110,098.67
10 & 12	Puyallup/White & Chambers/Clover	\$ 189,023.16
11	Nisqually	\$ 140,183.43
13	Thurston	\$ 65,501.89
14	Mason	\$ 78,345.39
15	East Kitsap <sup>2</sup>	\$ 99,101.42
15, 16, & 17	Hood Canal <sup>3</sup>	\$ 259,702.58
17, 18, & 19	Elwha-Dungeness-Strait <sup>4</sup>	\$ 240,781.34
Hood Canal Summer Chum**		\$ 141,020.18