

FINAL Puget Sound Acquisition and Restoration (PSAR) large capital projects: request for proposals for the 2019-2021 state biennium

V.1.29.18

The Puget Sound Salmon Recovery Council and the Puget Sound Partnership are developing a ranked list of large, high priority capital projects to propose for funding as a regional package of habitat acquisition and restoration projects for the 2019-2021 biennium state budget. Proposed projects should be ready to advance as soon as funds are available after the passing of the 2019 state capital budget and cost more than what Puget Sound salmon recovery lead entities are *typically* able to support through the standard funding process (See the glossary at the end of the document for further definition of allowable level of project cost). This ranked list will be an important component of the 2019 -2021 Puget Sound Acquisition and Restoration (PSAR) budget request. The Puget Sound Salmon Recovery Council has approved the approach, eligible project types, prerequisites and criteria listed below.

Each Puget Sound salmon recovery lead entity may submit up to **three projects** through the local and regional process outlined below. Final application materials must be submitted by the Salmon Recovery Funding Board (SRFB) deadline for project applications for all SRFB and PSAR projects in August 2018. The Puget Sound Partnership Leadership Council will approve the final large capital list in October 2018.

Projects that were submitted for funding as large capital projects during the 2017 – 19 PSAR large capital review process, were approved by the SRFB, and have not changed in scope or cost may be resubmitted by the lead entity **without undergoing additional local review process unless required by the lead entity**. Any projects resubmitted will count towards the maximum of three projects per lead entity. If the project has changed in scope or cost since it was originally approved by the SRFB and the lead entity would like to resubmit it, the lead entity should check with its RCO grant manager and Partnership Ecosystem Recovery Coordinator to determine what level of additional review is required. All submitted projects will be re-ranked through the current approved regional ranking process for large capital projects.

Project sponsors must complete the SRFB application through PRISM and projects must be reviewed by and receive a **letter of support** from the sponsoring lead entity's local process. All policies for **SRFB projects** in Manual 18 apply to these project proposals except where there is a narrowing of what is eligible for the PSAR large capital proposal process. For final application materials, project sponsors must also submit answers to the supplemental proposal questions listed below as an attachment to their project proposal. Because of the project limit per lead entity, project sponsors must work with their lead entity and have approval as described below to apply.

The state legislature has previously allocated between \$7M and \$40M for the PSAR large capital program.

Eligible project types

- Restoration
- Acquisition
- Planning projects (Assessments, Designs, Inventories, and Studies) – the results of this type of project must directly and clearly lead to preliminary or final project design
- Combination projects (Acquisition and restoration OR acquisition and planning)
- Phased projects
- Distinct, individual projects – bundling of projects within a watershed is not allowed and may result in the sponsor being advised to resubmit in a subsequent grant round.

Prerequisites

Each project must:

1. Address a high priority need identified in a watershed recovery plan chapter (Chinook, steelhead or multi-species), a regional recovery plan for Puget Sound Chinook salmon or Hood Canal Summer Chum salmon, or other strategy submitted as part of the 4YWP project list that benefits Treaty rights populations.
2. Demonstrate significant benefit to one or more listed salmon populations and/or salmon populations that benefit Treaty rights.
3. Require only funding for implementation (i.e. no other barriers with respect to authorizing environment, land ownership or project implementation exist)
4. Be consistent with lead entity priorities and on the 4YWP project list.
5. Begin implementation during the 2019-2021 biennium. Implementation is defined as beginning work on one of the eligible project types above.
6. Be evaluated by the SRFB review panel (previously or in 2018).
7. Receive a letter of support through the lead entity SRFB review process in 2018.

Additional prerequisites for specific project types include the following:

1. **Restoration Construction projects (*projects seeking construction funding*):** conceptual and preliminary design must be complete, final design must be complete or anticipated to be complete within the first year of the award, and permit applications must be started (at a *minimum documented discussions with permit agencies*). Project construction must commence within one year of contract award or the next available fish window. Please refer to Manual 18 (Appendix D) for detailed deliverables.
2. **Engineering and design projects:** at a minimum, a conceptual design as described in SRFB Manual 18 (Appendix D) must be complete and meet all appropriate requirements as identified in the SRFB process.

Proposal Elements

Projects must be approved through the local lead entity before being submitted for consideration within the PSAR large capital program. Each lead entity develops an individual grant round timeline, with most

beginning in January. **Please consult with your [local lead entity coordinator](#) to ensure you have the necessary information and deadlines to begin your application process.**

Before **pre-proposal review (April 30th)**, project sponsors must complete the RCO PRISM Application and Salmon Project Proposal questions **and** lead entity coordinators must identify a clear link to a recovery plan strategy or demonstrate a benefit to treaty rights populations. This should be included as an attachment within PRISM. **At time of full proposal (June 22nd)**, project sponsors must obtain a letter of support from a sponsoring lead entity committee (technical, implementation, citizens or executive body). Letters of support must verify the project sponsors or project managers' abilities to manage a project of this scope and scale, including when possible examples of successful project management to similar project(s) **.

****PLEASE NOTE:** Lead entity coordinators must identify each submitted large capital project's alignment with strategy **at the time of pre-proposal, April 30th**, to support the preliminary tiering process. A lead entity committee's letter of support can be submitted concurrently with alignment to strategy, or at the time of final applications, June 22nd.

Before **final review**, project sponsors must complete the RCO PRISM Application and salmon project proposal **and** the PSAR Large Capital Supplemental Questions as provided in Recreation and Conservation Office (RCO) [Manual 18 Appendix C](#).

*Projects from the 2016 PSAR large capital project list **MUST RESUBMIT** in the pre-application process to be considered for the 2019-2021 PSAR grant round.*

Regional large capital grant round timeline¹

- Sponsors consult with local lead entities on local grant round process (**Early 2018**).
- Pre-proposal materials are due to the region by **April 30, 2018** for preliminary tiering by **May 18, 2018**.
- Top-tiered projects invited to submit a full proposal and unsuccessful projects notified by **May 25, 2018**.
- Full proposals are submitted in PRISM by **June 22, 2018**.
- Final ranking occurs between **June 22 and July 20, 2018**. Reviewers will provide sponsors with preliminary feedback on **July 5, 2018**. Sponsors will have *10 business days* to modify and resubmit proposals before final scoring. Final rankings will be announced on **July 27, 2018**.
- Final draft regional project list is submitted by **August 10, 2018**.
- Final SRC approval of regional project list is **September 27, 2018**.
- Final Leadership Council approval of project list in **October 2018**.

Sponsors should consult with Lead Entity coordinators on project next steps following the announcement of final ranking on **July 27, 2018**.

¹ Timeline contingent on the passing of a capital budget and securing of review team.

Review Process

Final proposals must be completed in PRISM at the same time that all other SRFB and PSAR projects are due in August for the 2018 SRFB round. The Partnership will facilitate a regional review process to develop a regionally ranked list of projects using the following steps:

1. A sub-group of local lead entity technical review committee members from various geographies score pre-applications as part of the preliminary review. The Salmon Science Advisory Group (SSAG, advisory body to the Puget Sound Salmon Recovery Council (SRC)) provides additional technical support.
2. Sponsors in the top tier of submitted proposals are invited to submit a full proposal. *The expected budget request is no more than \$50M for the large capital program.*
3. RCO and Partnership staff review final proposals for completeness and eligibility.
4. Regional review team scores final project proposals.
5. Project sponsors *may be* requested to participate in presentations to Puget Sound regional review team in May 2018.
6. Puget Sound Partnership and lead entities submit draft ranked project lists to RCO in August 2018.
7. Puget Sound Partnership present compiled scores and draft rankings to the Puget Sound Salmon Recovery Council Executive Committee in September. The Executive Committee recommends a ranked list for the full Puget Sound Salmon Recovery Council.
8. Project sponsors working with their lead entities revise proposals following SRFB Review Panel Technical Review in September 2018.*
9. The Puget Sound Salmon Recovery Council adopts a final ranked list recommendation at the September 27, 2018 meeting.
10. The Puget Sound Leadership Council adopts a final ranked list in October 2018.
11. The final ranked list are due to RCO by November 7, 2018.
12. The PSAR ranked list is packaged for use by OFM, the Governor’s office and the legislature as part of the full PSAR request. Budget requests are developed in September/October 2018.
13. SRFB approves final project lists (local and regional) in December.
14. Following the passage of the state capital budget, project sponsors are notified if funding received and contracts initiated as applicable.

**For a more detailed SRFB timeline, consult Manual 18.*

***Any large capital projects labeled a Project of Concern (POC) on the Puget Sound Partnership project list at this point are at the discretion of the Partnership to retain or remove from the list, with consultation from the Lead Entity. The Partnership retains the right to re-score the project if significant changes are made to the proposal following SRFB review panel comments prior to final lists being submitted.*

PSAR Large Capital Criteria

Final proposals will be evaluated using the following criteria for a total of 100 possible points:

BENEFIT TO SALMON

TOTAL 60

DESCRIBE THE VIABLE SALMONID POPULATION (VSP) BENEFITS EXPECTED FROM THE PROPOSED PROJECT.	Link VSP parameters to salmonid population(s).	25
	Describe expected changes to VSP parameters.	
	Provide estimates of the outcomes using quantitative modeling tools, supporting materials, and/or relationships from scientific literature.	
PROJECT OBJECTIVES AND SUCCESS	Indicate where habitat measures can be monitored through existing or potential future monitoring programs.	15
	List the restoration actions proposed for this project and describe how each action will affect the restoration area.	
	Explain how the project objectives are anticipated to be maintained through natural processes.	
HABITAT QUALITY	Describe how the habitat will support functions that benefit salmon.	10
ACCESS AND CONNECTIVITY	Describe salmon access to restored habitat.	10
LINK TO ACTION AGENDA		TOTAL 20
HOW DOES THE PROJECT CONNECT TO THE ACTION AGENDA?	Connect the proposed project to the Puget Sound Vital Sign targets under <i>Protected and Restored Habitat</i> and <i>Abundant Water</i> .	10
	Identify the most relevant 2018-2022 Action Agenda regional priority and approach.	5

	Briefly explain other benefits the project will provide to surrounding communities and industry.	5
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ADDITIONAL CRITERIA		TOTAL 20
CLIMATE CHANGE	Demonstrate that you have sufficiently identified and considered how climate change will affect the project (hydrology, sediment regimes, sea level rise, or water supply). Does the project design adequately address the primary climate change concerns (or have a plan to evaluate them during the design process) that have the potential to decrease the effectiveness of the project? Is the project designed to be flexible and can it be modified over time as conditions change?	5
PROJECT READINESS	For restoration construction projects, what level of design and permitting work is completed for project? For acquisition projects, what is the stage of appraisal and purchase? Or, for engineering and design projects, what is the level of readiness?	10
MATCH*	How much match is provided?	5
PORTFOLIO PROJECT	Would you like this project to be considered as a portfolio project? If so, related projects should be listed out/identified from the Lead Entity 4YWP or from an approved management plan (if not yet part of the 4YWP).	Required, not scored
OTHER SOURCES OF FUNDING TENTATIVE OR SECURED	Has this project been submitted for funding to other grant programs? Using PSAR funds to leverage additional funds for your project is encouraged.	Required, not scored
NTA STATUS	Is your project a 2016 Near Term Action (NTA), or being considered as a 2018 NTA?	Required, not scored

*Match is not required for large capital projects. Match will be defined using SRFB Manual 18 to include cash, bond funds, and grants (unless prohibited by the funding entity); labor, equipment, materials, staff time, and donations. See http://www.rcow.wa.gov/documents/manuals&forms/Manual_18.pdf.

For more information and to access reference resources, please visit:

<https://pspwa.box.com/VSPGuidance>

Project Scoring

- Final scores will be represented as sum total of points earned for review. Blind individual scores will also be available for review.
- If deemed necessary, scores will be normalized by an independent reviewer and communication around normalization and ranked list will be developed.
- Upon completion of project scoring by reviewers, Partnership staff will compile results and place projects into rank order.
- Partnership staff will present a draft ranked list to the Puget Sound Salmon Recovery Council Executive Committee. The Executive Committee will review the ranking and make a recommendation to the full Salmon Recovery Council to **accept the list as ranked by the scoring or provide a recommended change to the order of the ranked list**. The ranked list is the culmination of a significant amount of thorough scientific review and investigation of the merits of each project proposed. The Executive Committee shall not “re-order” the ranked list unless there is a strong policy reason to do so. If changes to the ranked list are suggested by the SRC Executive Committee they will be done in a transparent fashion and will be accompanied by a written explanation as to why the change was necessary. The Executive Committee will use the following criteria when considering whether re-ordering the list is necessary:
 - Geographic distribution
 - Fund utilization – such as reordering to more fully fund a project near the funding cut-off line
 - Uncertainty of implementation
 - Project types
 - Multiple benefits
 - Balancing of project types
 - Balancing of acquisition and restoration
- The full body of the Puget Sound Salmon Recovery Council will be presented with both the original ranked list and the adjusted list (if one was created) for discussion and a final recommendation at the November 2018 Puget Sound Salmon Recovery Council meeting. The Puget Sound Partnership Leadership Council approves the final list.

Questions/Contact information

Project sponsors **must** coordinate with the Lead Entity Coordinators for submission:

<http://www.rco.wa.gov/maps/LE-SRR-ContactMap.shtml>

Please contact the **PSAR Program Coordinator** or the appropriate [Ecosystem Recovery Coordinator](#) at the Puget Sound Partnership with any questions:

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PSAR Large Capital Project Glossary

Project Readiness – PSAR Large Capital funds are intended to be used for projects that have already completed their due diligence, i.e., they have completed feasibility studies; and land owners and project partners understand and are in agreement with the project feasibility and conceptual design. This understanding and agreement is documented in writing and provided with the proposal. PSAR Large Capital funds are not intended for project development and feasibility analysis. Thus, restoration projects should be “Shovel Ready” as defined below.

Shovel Ready – Is a term for capital construction projects. A project is considered to be Shovel Ready if it meets conditions described below:

- Completed the **SRFB process** and approved by the SRFB for funding
- Preliminary design must be complete, final design must be >90% complete by the time of contract award. Project construction must be able to commence within 1 year of contract award or the next available fish window

Acquisition Ready – Is a term for Acquisition projects. A project is considered to be Acquisition Ready if it meets conditions described below:

- Completed the **SRFB process** and approved by the SRFB for funding
- Obtained an appraisal and letter of interest, purchase and sale agreement, an option to purchase agreement, or have a signed waiver of retroactivity for reimbursement of a purchase
- Can demonstrate positive communication and willingness from the landowner (e.g. purchase and sale agreement, letter of support from the landowner)

Design Ready - Is a term for design/planning projects. A project is considered to be design ready if meets the conditions described below:

- Completed the **SRFB process** and approved by the SRFB for funding
- Has preliminary design (and project feasibility and conceptual design deliverables) by the time of contract award

Appraisal Ready - Is a term for Acquisition projects. A project is considered to be appraisal ready if meets the conditions described below:

- Completed the **SRFB process** and approved by the SRFB for funding
- Has already had positive discussions with landowners and has secured a signed Land Owner Acknowledgement form uploaded to PRISM

* Project readiness will be evaluated throughout the contracting process, and projects that do not truly meet the Readiness Criteria described above may have their project deemed ineligible for funding.

Puget Sound Acquisition and Restoration Program (PSAR Program) – The Puget Sound Acquisition and Restoration program (PSAR) was created in 2007 to help implement the most important habitat protection and restoration priorities. Funding is appropriated by the Legislature through the Salmon Recovery Funding Board. The Puget Sound Partnership works with local entities to identify and prioritize projects. This funding is critical to advancing projects of greatest positive impact throughout our region.

The PSAR program is comprised of two different funding programs termed **Regular PSAR** and **PSAR Large Capital Program (or PSAR Large Cap.)**. Both programs have their own unique set of criteria and operating procedures.

Regular PSAR – Funding for the PSAR Program is a biennial appropriation from the Washington State Legislature. The **Regular PSAR** program receives first priority for funding. The first \$30M of funding appropriations is devoted to the Regular PSAR Program. The Regular PSAR program provides funding to the 15 **Puget Sound Lead Entities** based upon a percentage formula approved by the **Puget Sound Salmon Recovery Council (PSSRC)**. This funding is then used to fund restoration and acquisition projects through the Lead Entity - SRFB process.

PSAR Large Capital – A Capital Project that is a high priority in a watershed’s 4 year workplan with respect to its benefit to Endangered Species Act (ESA) listed or Treaty right priority salmon populations but, due to the complexity and cost of the project, it cannot be easily accomplished by the lead entity with the allocated funds available to them within the **Regular PSAR** funding round. Large Capital Projects costs should exceed more than what a given watershed receives in a PSAR - SRFB round of \$30 million, or be greater than \$1M.

Project sponsors can apply for PSAR Large Capital Funds for:

- 1) Engineering and Design only – no construction funds (due diligence already performed – conceptual (feasibility) completed, and anticipated design costs need to still meet the criteria of being more than a lead entity will receive in a \$30 million PSAR regular round allocation or at least \$1M, whichever is lesser)
- 2) Restoration Construction Funds only (for **Shovel Ready** projects)
- 3) Acquisition funds
- 4) Both Final Engineering/Design and Construction funds under the category of a Phased Project as defined in Manual 18 (for **Shovel Ready** Projects)

Portfolio project - A portfolio project is one of a group of projects that is strategically sequenced and managed as part of a larger project complex that advances long-term recovery and/or protection goals. This can be a phase of a larger, multi-phase project that requires long-term (more than 3 years), consistent funding investments to complete. Portfolio projects have successfully competed and been awarded PSAR large capital funds in past grant rounds, and currently have a funding need to advance to the final stages of their project.

Project Cost (PSAR - Large Capital) - Large Capital Projects costs should exceed more than what a given watershed receives in a typical PSAR - SRFB round, or >\$1M (whichever is lesser). Watersheds Lead Entity Coordinators are aware of the budget limitations and understand the intent of the PSAR Large Capital project funds. Lead Entity coordinators will be able to determine if a project being brought forward meets the intent of the PSAR Large Capital Project program or if it should be funded with their existing PSAR regular + SRFB funds. Project sponsors should assume a Lead Entity funding scenario similar to what was projected in 2017 (i.e., \$30M in PSAR Regular project funds distributed using the existing allocation formula + standard SRFB allocation).

PSAR Large Capital Funding Sequencing - The ranked 2019-21 PSAR Large Capital projects will receive funding in rank order in accordance with policy. Projects receiving other funds for the same project

scope will receive a commensurate reduced amount in their contracting. Funding carries down the existing approved list until all projects are fully funded. Any returned dollars are first applied to PSAR large capital projects of the same biennium, and then to the current approved project list in ranked order.

PSAR Biennial Funding – Funding is provided by the WA State Legislature through its biennial budget.

Obligated Funds – Funds are considered **Obligated** when a project contract has been signed between the project sponsor and RCO.

PSAR – Eligibility - Puget Sound Acquisition and Restoration projects must meet the same eligibility requirements as SRFB projects described in *Manual 18, Salmon Recovery Grants*. Puget Sound Acquisition and Restoration funding must be directly in support of implementing capital projects.

Eligible project types include:

- Restoration
- Acquisition
- Planning projects (Assessments, Designs, Inventories, and Studies) – the results of this type of project must directly and clearly lead to a conceptual, preliminary or final project design.
- Combination Projects (Acquisition and restoration OR acquisition and planning)
- Phased projects

Bundled projects – Project proposals are considered “bundled” if they contain more phases than would be attainable within the spending timeframe of the funding (Grant recipients must complete projects within 2 to 3 years), or propose multiple projects under one application that do not clearly demonstrate interconnected (separated hydrologically, geographically, sequentially). Proposals that identify coherent, related projects can identify as “portfolio” projects for streamlined application in the future.

Return Funds – If an approved Puget Sound Acquisition and Restoration Large Capital project cannot be implemented due to a change in circumstances or is completed under budget within the allowable timeframe, return funds will return to Puget Sound Partnership for reallocation. PSP Large Capital Project Return Funds Reallocation Priority:

- Funds will be used to fund the highest ranked PSAR large capital project that has cost overruns/funding gaps due to unforeseen circumstances. Cost overruns must be approved and are subject to criteria outlined in Manual 18 Appendix B.
- If no higher ranked large capital projects are in need of additional funding, funds may be used to fund further down the PSAR Large Capital list.

Salmon Recovery Funding Board (SRFB) - The Washington State Legislature established the SRFB in 1999 to administer state and federal funding and to assist with a broad range of salmon-related activities. Its primary goal is to recover salmonids (salmon, trout, and steelhead) by providing grants.

The SRFB funds riparian, freshwater, estuarine, near-shore, saltwater, and upland projects that protect existing, high quality habitats for salmon. It also funds projects to restore degraded habitat to increase

overall habitat health and biological productivity of the fish. Projects may include the actual habitat used by salmon and the land and water that support ecosystem functions and processes important to salmon.

The SRFB is composed of five voting members who are appointed by the governor, and five non-voting, state agency directors. The SRFB believes that projects must be developed using scientific information and local citizen review. Projects must demonstrate, through an evaluation and a monitoring process, that they can be effectively implemented and that they provide a sustained benefit to fish.

The SRFB administers both SRFB funding (PCSRF and state SRFB) as well as PSAR funding (state capital funds). Although both grants are administered through the same Board, they are two separate programs with separate authorities, advisory and technical groups, and guiding policies. SRFB is managed exclusively through RCO, while PSAR is co-managed by PSP and RCO.

The complete text of the SRFB's statement of its mission, scope, and funding strategy is available on its Web site at www.rco.wa.gov/boards/srfb_mission.shtml.

Lead Entity - Lead entities use their strategies and the regional plans to identify a sequence of habitat restoration and protection projects. Those projects are reviewed by lead entity technical advisory groups to ensure they are scientifically valid. Using information from the technical advisory groups as well as social, economic, and cultural values, the citizen committees, composed of people with diverse community interests, adopt ranked lists of projects and submit them to the SRFB for funding consideration. Contact information for both lead entities and RCO staff can be found in RCO Manual 18 in Appendix A, and at http://www.rco.wa.gov/maps/contact_salmon_mgr.shtml.