

**Transportation Budget and 16 Year Financial Plan**  
**Bond Finance Assumptions and Cash Management Analysis**  
**JTC – 2008 Interim Proposal**  
\$50,000 Consultant Study

A workgroup comprised of staff from the Legislative transportation committees, the Office of Financial Management, the debt management and finance divisions of the Office of the State Treasurer (OST) and the Department of Transportation (DOT) will provide administrative oversight for a consultant study to examine and make recommendations on a shared set of bond finance assumptions and methodologies for use in the development of the 16 year transportation financial plan. The study will also examine cash management practices as they relate to the successful delivery of the 16-year transportation finance plan.

Subject to committee approval, the JTC will use existing resources to issue an RFP for the purpose of hiring two consultants; one each with private and public sector expertise to:

1. Analyze and make recommendations for a shared set of bond finance and modeling assumptions for use in development of both the transportation budget and attendant 16-year financial plan. Elements must include, at a minimum, the following variables:
  - a. Bond interest rate assumptions (appropriate indices, adjustments thereto, historical performance, etc);
  - b. Costs associated with bond sales;
  - c. Treatment of bond premium or discount;
  - d. Debt service withholding, if any.
2. Examine and provide recommendations on cash flow practices and processes at DOT, and between OST and DOT, as they relate to determination of the timing of bond sales, capital spending under-runs, debt service withholding, minimum account balances, access to the State's concentration account to cover short-term cash-flow needs, and any other, relevant components impacting the compilation and administration of the 16-year transportation financial plan.
3. Review applicable RCW's and bond covenants as well as historical bond proceed expenditure patterns and current projections.
4. Provide a preliminary report with findings and recommendations to the workgroup by August 1, 2008 and a final report to the Legislative transportation committees by January 1, 2009 detailing the findings, recommendations and summary of changes implemented from the preliminary report to the workgroup.