



# Cost Overrun Policy



TIP Subcommittee  
September 7, 2022



# Background



- Cost overruns are considered project by project
- Historically matched at 50/50 (Federal/Local)
- Some exceptions in extenuating circumstances result in 80/20 (Federal /Local) requests
- New challenges
  - Drainage and detention requirements
  - Inflation

# Evaluation of Cost Overrun Requests

- Cost overruns will be based on the total estimated cost of approved phases
- Considered once the cost of approved phases has exceeded the original TPC-approved funding amount

Cost Increase/Cost Overrun Considerations	Match Policy (Federal/Match)	
	80/20	50/50
Cost increases due higher unit costs as a result of global supply chain issues.	X	
Cost increases to accommodate federal drainage and detention design standards. (e.g., ATCLASS 14)	X	
Cost increases associated with a change in project scope.		X
Cost increases due to general schedule delays.		X
Other cost increases as required due to unforeseen Federal or State requirements	X	

# How to Submit Cost Overrun Request

- Contact H-GAC staff 6-9 months before the anticipated need of federal funds.
- Supporting Documentation
  - Include a brief narrative explaining the circumstance of the cost overrun
  - Table or chart to show the increase in cost by approved phase of work

Approved Phase(s) of Work	Original Estimated Total Cost	Current Estimated Total Cost	Cost Increase	Federal (80%)	Match (20%)	% Change
Engineering	\$200,000	\$250,000	\$50,000	\$40,000	\$10,000	25%
Right-of-Way	\$500,000	\$700,000	\$200,000	\$160,000	\$40,000	40%
Construction	\$800,000	\$1,200,000	\$400,000	\$320,000	\$80,000	50%
<b>Total</b>	<b>\$1,500,000</b>	<b>\$2,150,000</b>	<b>\$650,000</b>	<b>\$520,000</b>	<b>\$130,000</b>	<b>43%</b>

# Project Monitoring

- Project sponsors should provide updated cost information as part of the quarterly TIP project reviews
- H-GAC staff will gather data to assess reasons for cost overruns and develop policies and programs to try and avoid so many cost overruns in the future

# Discussion & Contact



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# Project Selection Process Update



TIP Subcommittee  
September 7, 2022



# Project Selection Goals

- Develop a workable, fair Project Selection Process
- Implement TPC Workgroup Priorities
- Spend down growing carryover balances
  - ~\$190M CMAQ
  - ~\$130M STBGP
- Establish funded project list
  - Select projects for Transportation Improvement Program, 10-Year Program, and 20+-year Regional Transportation Plan



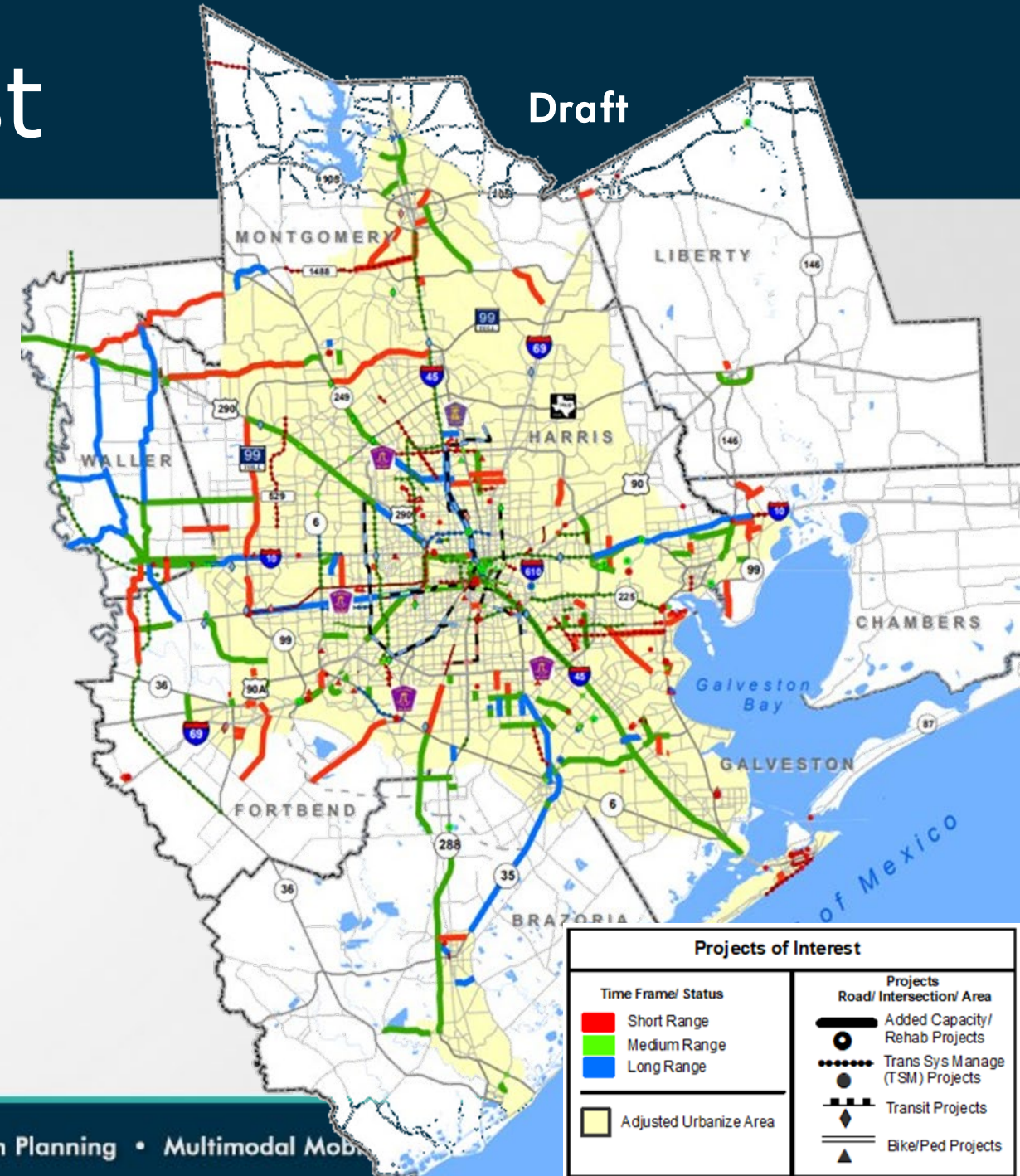


# Statements of Interest

Draft

Timeframe	Projects	Cost
Short term (0-5 Years)	302	\$9.7B
Medium term (6-10 Years)	202	\$22.6B
Long term (> 10 Years)	81	\$15.6B
Total	585	\$47.9B

- Submittals from 41 sponsors
- Duplicate projects submitted
- Projects with no estimated costs
- Review federal eligibility



# Submitted Projects - Projects by Type

Project Type	Short (302)	Medium (202)	Long (81)
Highways & Streets	210	157	55
Transit	30	16	23
Bicycle/Pedestrian	53	12	2
Freight	6	5	-
Other (Detention Pond, Pump Station, Ferry, etc.)	3	12	1



# Project Selection Process Goal

- Spend down growing carryover balances
  - ~\$190M CMAQ
  - ~\$130M STBGP

# Short Range Projects - Programmed Projects

Projects Type	# Of Projects (in M)	Estimated Total Cost (in M)	Programmed Funding (in M)	Funding Gap (in M)
Highways & Streets*	12	\$389	\$289	\$100
Transit	17	\$986	\$675	\$309
Bicycle/Pedestrian	0	\$0	\$0	\$0
Freight	0	\$0	\$0	\$0
Other (Detention Pond, Ferry, etc.)	0	\$0	\$0	\$0
<b>Total</b>	<b>29</b>	<b>\$1,375</b>	<b>\$964</b>	<b>\$409</b>

\*Does not include NHHIP plan authority (4) or duplicate projects (1)



# Short Range Projects - Programmed

## Highway & Street Projects\*

Eligibility for CMAQ	#	Programmed (in M)	Funding Gap (in M)
Yes	0	\$0	\$0
Maybe	5	\$112	\$42
<u>Total</u>	<u>5</u>	<u>\$112</u>	<u>\$42</u>
No	7	\$177	\$58

## Transit Projects

Eligibility for CMAQ	#	Programmed (in M)	Funding Gap (in M)
Yes	7	\$431	\$230
Maybe	9	\$239	\$24
<u>Total</u>	<u>16</u>	<u>\$670</u>	<u>\$254</u>
No	1	\$5	\$55

- Identified CMAQ funding GAP \$296M
- Identified STBG funding GAP \$113M

\*Does not include NHHIP plan authority projects

# Short Range Projects - Not Programmed

Project Type	# Of Projects	Estimated Total Cost (in M)	Maybe Eligible for CMAQ**
Highways & Streets*	156	\$3,499	\$798
Transit	13	\$485	\$460
Bicycle/Pedestrian	53	\$417	\$417
Freight	6	\$401	\$0
Other (Detention Pond, Pump Station, Ferry, etc.)	2	\$85	\$0
<b>Total</b>	<b>230</b>	<b>\$5,576</b>	<b>\$1,675</b>

\*Does not include plan & develop authority projects (25) and Duplicate projects (12)

\*\* Need detailed scope for eligibility determination



# Spend Down Carryover Balance [Discussion]

- Goal : Spend down CMAQ & STBG in next two years (STIP approved by July 2023)
  - Approach 1 Step 1 (Programmed projects evaluation based on project readiness)
  - Approach 1 Step 2 (Not yet programmed projects evaluation based on project type, readiness and desired outcomes)
  - Approach 2 (Based on new evaluation criteria planning factors and B/C analysis scores)
  - Readiness screening in both approaches will result in programming projects on a realistic letting schedule
  - New projects requiring air quality conformity determination will be considered for Regional Transportation Plan along with the long-range projects

# Spend Down Carryover Balance [Discussion]

- Goal : Spend down CMAQ & STBG in next two years (STIP approved by July 2023)
- Approach 1, Step1 (Programmed projects evaluation based on project readiness):
  - Evaluate project readiness of programmed projects (29)
  - Allocate carryover CMAQ and STBG funds to fill the funding gap of already programmed ready projects
  - On TIP Subcommittee's agreement send requests to submit project readiness and detailed scope
- Outcome Spend down CMAQ & STBG quickly and helps with inflation driven cost increases



# Spend Down Carryover Balance [Discussion]

- Goal : Spend down CMAQ & STPBG in next two years
- Approach 1, Step 2 (Based on project readiness evaluation of not programmed projects by type and desired outcomes):
  - Identify all short-range active transportation (53) and transit (13) projects not yet programmed
  - Identify roadway/freight (126) projects with desired outcome of crash reduction/safety which may be eligible for STBG funds
  - Assess readiness of short-range projects eligible for CMAQ or STBG
  - Assess consistency with TPC workgroup guidance
  - Program high ready projects (obligated in FY 23- 24) consistent with TPC workgroup guidance into the TIP/RTP
- Outcome: Program ready to go roadway/freight safety improvements, transit and active transportation projects previously not programmed

# Spend Down Carryover Balance [Discussion]

- Goal : Spend down CMAQ & STPBG in next two years
- Approach 2 (Based on new planning factors and B/C analysis scores)
  - Finalize planning factors and B/C analysis evaluation
  - Identify all short-range active transportation (53) and transit (13) projects
  - Identify roadway/freight (126) projects with desired outcome of crash reduction/safety which may be eligible for STBG funds
  - Assess readiness of short-range projects eligible for CMAQ or STPBG
  - Assess consistency with TPC workgroup guidance Evaluate planning factors and B/C analysis and score projects
  - Program high scoring ready projects (obligated in FY 2023-2024) consistent with TPC workgroup guidance into the TIP/RTP

# Project Selection Process Goal

- Finalize Project Selection Process and Evaluation Criteria

*Convene TPC workgroup and provide progress by the end of September*



# Finalize Evaluation Criteria [Discussion]

- Goal : Finalize project selection process and evaluation criteria
  - Approach 1: Split comprehensive call into two smaller solicitation of statements of projects interests (SOPI) based on project types
  - Approach 2: Continue ongoing Statement of Interests submittal process and review and recommend projects for funding Every year based on project type and desired outcome and keep it on a 5-year cycle
  - Approach 3: Continue to develop evaluation criteria and conduct a comprehensive call (current process) maybe add freight projects category
  - Approach 4: Split comprehensive call into two smaller solicitation of statements of projects interests (SOPI) based on funding programs (CMAQ+TASA, Cat 2+STBG)

# Finalize Evaluation Criteria [Discussion]

- Goal : Finalize project selection process and evaluation criteria
- Approach 1: Split comprehensive call into two smaller solicitation of statements of projects interests (SOPI) based on project types
  - SOPI-Phase 1
  - Finalize evaluation criteria for:
    - Active Transportation
    - Transit (non HOV expansions)
    - Roadway/freight safety & operations improvement projects
      - Safety improvements
      - Intersection improvements/Grade separations
      - Access management & ITS expansion and upgrades
  - Evaluation based on planning factors, B/C analysis and project readiness

# Finalize Evaluation Criteria [Discussion]

- SOPI-Phase 2
- Finalize evaluation criteria for:
  - Roadway/freight added capacity projects
  - New roadway/highway projects
  - Transit Park & Ride facilitates, HOV expansions projects
  - Resiliency/flood mitigation, Roadway/freight, Transit reconstruction and rehabilitation projects
  - Other roadway drainage improvements
- Evaluation based on planning factors, B/C analysis and project readiness



# Finalize Evaluation Criteria [Discussion]

- Goal : Finalize project selection process and evaluation criteria
- Approach 2: Continue ongoing Statement of Interests submittal process
  - Continue to develop evaluation criteria with TIP Subcommittee for potential project types
  - H-GAC will evaluate and score projects annually based on desired outcomes
    - Every year from year 1 – Safety improvements for all modes
    - Year 2 – Congestion and air quality improvements
    - Year 3 – State of good repair and resiliency
    - Year 4 – Accessibility, connectivity
    - Year 5 – Freight projects

# Finalize Evaluation Criteria [Discussion]

- Goal : Finalize project selection process and evaluation criteria
- Approach 3: Continue to develop evaluation criteria and conduct a comprehensive call
- Review investment/categories
  - Possible consideration of freight projects

# Finalize Evaluation Criteria [Discussion]

- Goal : Finalize project selection process and evaluation criteria
- Approach 4: Split comprehensive call into two smaller solicitation of statements of projects interests (SOPI) based on funding programs (CMAQ+TASA, Cat 2+STBG)
  - Develop two separate evaluation criteria
    - For CMAQ+TASA focused on funding requirements
    - For STBG + Cat 2 focused on freight movement and added capacity



# Next Steps

- TIP Subcommittee discussion on progress and process [Sep. 7 & Ongoing]
- Coordination/Review meeting with TPC workgroup [September]
- Develop strategy for funding “high-readiness” projects [Future Discussion]
- Identify opportunities to accelerate project prioritization and funding [Future Discussion]
- Follow-up discussions with project sponsors [MPO Staff; Future]
  - Detailed scope
  - Project readiness
- Implement ongoing project interest statement submittal process
- Develop Final Scoring Criteria and Selection Process

# Information & Discussion Only