

ACTION TRANSMITTAL
No. 2012-35

DATE: December 6, 2012
TO: Transportation Advisory Board
FROM: TAC
REQUESTED BY: Federal Program Delivery Work Group
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SUBJECT: Scope Change Consultation Process
MOTION: To recommend approval of the Scope Change Consultation Process to assist with the management and delivery of transportation projects awarded federal funds through the TAB's Regional Solicitation Process.

BACKGROUND AND PURPOSE OF ACTION: Projects selected through the Regional Solicitation Process are programmed in the region's Transportation Improvement Program (TIP) with a defined list of construction elements to be built or implemented. The project scope is the basis for how well these projects address safety, congestion, air quality, and other criteria used in the evaluation. Because these projects were selected to receive federal transportation funds based on the benefits they provide, the project scope is important.

From the Federal Highway Administration (FHWA) perspective, the project scope is important because it is used as the basis for authorizing the federal funds for the project to be built. From the regional perspective, the TAB wants to ensure that the benefits from any re-scoped projects are substantially the same as the original projects and justify using the federal funds that were awarded to the original projects.

Scope changes are brought to the TAC Funding & Programming Committee through consultation among staff from the MnDOT Metro State Aid Office, the Metropolitan Council and the project sponsor. The Federal Program Delivery Work Group felt the consultation process should be part of the adopted scope change process to provide transparency and consistency. This Scope Change Consultation Process will compliment the already-adopted Scope Change Evaluation Process by providing project sponsors with a clear means to communicate their desired scope change through the proper agencies, and by providing agency staff with guidelines as to how the desired scope change should be processed.

RELATIONSHIP TO REGIONAL POLICY: In March 2011, the TAB recommended that a process be developed to evaluate project scope changes to assist with project implementation. The Federal Program Delivery Work Group met six times to develop recommendations to policy and processes to improve project implementation. The work group has recommended a consultation process to assist with scope changes to projects that receive federal funds through the TAB's Regional Solicitation Process.

The scope change consultation process and scope change evaluation process are regional policies adopted by the TAB and are not part of the federal guidance associated with the federal transportation funding acts.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding and Programming Committee	Review & Recommend	November 15, 2012
Technical Advisory Committee	Review & Recommend	December 5, 2012
Transportation Advisory Board	Review & Adopt	
Metropolitan Council	Information	

**Regional Solicitation Projects: Scope Change Consultation Process
Federal Program Delivery Work Group: November 7, 2012**

Overview

Projects selected through the regional solicitation process have a defined scope, or description of improvements to be constructed or implemented. The project scope is the basis for how well these projects address safety, congestion, air quality, and other criteria used in the evaluation. Because these projects were selected to receive federal transportation funds based on the benefits they provide, the project scope is important.

Project scope is important in the federal process because it is used as the basis for authorizing federal funds for the project.

From the Transportation Advisory Board (TAB) perspective, these projects were awarded federal funds because they were evaluated and provide the most benefit to the travelling public. Projects are ranked by the cumulative score of many weighted criteria. Changes in the project's scope could affect the benefits of the project, reducing its score and possibly affecting its rank among the scored projects. The TAB wants to ensure that the benefits from the re-scoped projects are substantially the same as the original projects and justify using the federal funds that were awarded to the original projects. It is important to the TAB that any change in project scope does not substantially reduce a project's benefits and value to the public, especially if it would mean the revised project scope would not have scored as well as the original scope and may not have ranked high enough to be selected.

What is a scope change?

The TAB understands that the projects submitted in the regional solicitation are usually conceptual in nature and are refined during design and environmental study. A limited number of project scope change requests are likely to be necessary, and the TAB adopted a policy in March 2011 on how to evaluate them.

A consultation process among the FHWA, MnDOT and the MPO would be helpful to determine whether a formal scope change and TIP amendment is needed, or whether the modification is minor and can be implemented informally by MnDOT. The project description in the TIP and STIP can serve as the project scope for the purpose of making this determination. For these purposes, a scope change is considered to be any revision that changes the description of a regionally-selected project in the TIP and STIP.

There are three types of changes: those allowed with Metro State Aid review and approval; project modifications allowed through an informal consultation process; and scope changes requiring approval and a formal TIP amendment.

1) Changes allowed with Metro State Aid review and approval:

Changes to projects that are typical when projects move into detail design or minor addition of project amenities or aesthetic items. Changes do not affect project score or ranking and do not meet the threshold for a TIP amendment.

- Removal or addition of minor items, such as benches, waste receptacles, minor signing, etc.
- Change in the design of aesthetic items, such as lighting, railings, benches, etc.
- Addition of items due to normal detail design of a project (such as noise walls, retaining walls, storm sewers, etc.) unless the cost increases enough to require a TIP amendment

2) Project modifications allowed through informal consultation process:

Slight changes to projects that do not meet the threshold for a formal TIP amendment. Changes do not affect original project score to the degree that it would change the project ranking/selection.

- Slight changes in bike or pedestrian trail route alignment while still making the major connections and keeping the same termini
- Very minor change in project termini, such as adding one block of project, such as a roadway or trail, to make better connection
- Change in bike path width (must still meet standards)

3) Scope changes requiring approval and a formal TIP amendment:

- Any change that triggers a formal TIP amendment (see separate guidance)
- Any change that may reduce the estimate of benefits and project score and lower its rank within its solicitation category to the degree where the revised scope may not justify selection

Some examples where a formal scope change is likely to be necessary:

- Adding significant elements to a project
- Removing significant elements from a project (such as a trail, ped bridge, lighting, signal, etc.)
- Significant reduction in access closures
- Changing the termini of a project significantly
- Reducing the number of travel lanes (such as 4 lanes approved changing to 3 lanes with a center turn lane)
- Changing a significant number of parking spaces in a park-and-ride facility
- Changing from rehabilitation to replacement and vice versa
- Adding locally-funded project to the federally-funded project (such as mill and overlay adjacent to project)
- Pedestrian bridge to a tunnel, or a tunnel to a pedestrian bridge
- Off-road trail to on-road
- Signal to a roundabout

When is a scope change a new project?

The project as programmed in the TIP and STIP identifies the project that will be awarded federal funds.

The project description in the TIP and STIP list the type of work, the most significant construction elements, and the project location and length, where applicable. This could be considered the definition of a project's scope of work. A proposed scope change will be considered a new project not subject to the scope change evaluation if it:

- Changes the type of work (such as an intersection improvement to construction of a full or partial grade-separated interchange; purchase of transit buses to purchase of light rail vehicles; switching transit operating funds to a transit capital purchase or construction)
- Replaces the main construction elements, such as the construction of a bike/pedestrian bridge replaced with at-grade intersection crossing treatments
- Relocates the project away from the defined problem, need, or location, such as switching transit start-up service from one market area to another
- Moving funding from one project to another, such as moving funds awarded to a project on County Road A to the same, similar, or different work on County Road Z

Consultation and Scope Change Request Process

After initial consultation with Metro State Aid, a project sponsor must initiate scope change requests with the TAB Coordinator. The short process described below could be adopted into policy as how the region decides whether a scope change needs to go through the formal process with a TIP amendment or just done through an informal consultation process.

1. Project sponsor informs the TAB Coordinator that it wishes to change a project. Preferably, the project sponsor would provide a written description of the scope change and a map or schematics showing how the proposed scope change affects the project.
2. The TAB Coordinator will consult with MnDOT Metro State Aid and the FHWA to discuss the extent of the changes and whether the scope change could impact the projects benefits, score and rank among the other projects in its category and solicitation year.
3. By agreement, the TAB Coordinator may contact the project sponsor and provide directions on how to request a scope change and TIP amendment through the TAC, TAB and Metropolitan Council. Also by agreement, the TAB Coordinator may inform the project sponsor that the proposed modification does not trigger a formal scope change and TIP amendment, and the modification can be performed through an informal consultation and approval process. The TAB Coordinator will inform Metro State Aid and the TAC Funding and Programming Committee of the administrative approval.
4. By agreement, the TAB Coordinator may inform the project sponsor that the proposed revisions exceed the limits of a scope change and is actually a new project. The project sponsor will also be informed that the request will not be processed through the TAC and TAB.

Process to evaluate scope change requests for regionally-selected projects.

Adopted by the Transportation Advisory Board on March 16, 2011

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Projects submitted for consideration through the regional solicitation are often just concepts or unrefined ideas. Project sponsors work on the preliminary and final design, environmental studies etc... after the TAB awards funds to the project. Sometimes during project development the project sponsor has to make significant design changes or finds that the construction cost was underestimated. When that happens, project sponsors may be required to request a scope change and TIP/STIP amendment because the scope and cost in the TIP/STIP has to be consistent with final project documentation that is sent to the FHWA.

Projects sponsors, Met Council and TAB staff, the TAC Funding & Programming Committee (F&PC) and the region would benefit from an adopted methodology to evaluate requested project scope changes. MN/DOT Metro State Aid has been very good at sorting out the significant scope changes that require action from the TAB. The FHWA has provided guidance on when a cost increase triggers a TIP/STIP amendment, and when a change in a project's design requires a scope change and TIP/STIP amendment (attached). The TAC and TAB want to be comfortable that the revised project scope of a regionally-selected project still provides about the same benefits as the original project scope and would have scored high enough to have been selected like the original project scope – to be fair to the other projects not selected. Below is a proposed outline of a process and guidelines for scope change requests.

- 1) Any construction elements added to the project scope must be eligible according to the solicitation criteria used to evaluate the original project submittal, unless the additional elements are already programmed in the STIP.
- 2) Additional federal funds will not be provided and federal funds cannot be swapped between projects of the same or different sponsor.
- 3) Met Council and TAB staff will provide data on the original project to the TAC F&PC, including cover page, project description, location map, layouts, sketches or schematics, and the original project cost estimate.
- 4) The project sponsor must provide data on the revised project scope to the TAC F&PC, including a complete project description, location map, project layout or sketches or schematics, checklist of work that still needs to be done and a revised project cost estimate.
- 5) The project sponsor must also recalculate the responses to certain key criteria based on the revised project scope and provide them to the TAC F&PC. Met Council and TAB staff may consult with the scoring group chair and individual project scorers if necessary to evaluate the recalculated responses and estimate the change in the original project score.
- 6) The TAC F&PC will base their recommendation on whether the estimated score of the revised project scope would have been high enough to have been awarded funds through the regional solicitation. A recommendation to approve the scope change and adopt a TIP amendment will go before the TAC, TAB Programming Committee and full TAB for adoption, then to the Metropolitan Council for concurrence. A recommendation to reject the scope change and TIP amendment will go before the TAC, TAB Programming Committee and full TAB for approval.