

**ACTION TRANSMITTAL No. 2015-52**

**DATE:** December 1, 2015

**TO:** Technical Advisory Committee

**PREPARED BY:** Joe Barbeau, Senior Planner (651-602-1705)  
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**SUBJECT:** Addition of a Cost Effectiveness Criterion to Regional Solicitation Applications

**REQUESTED ACTION:** Recommend to TAB adding a separate cost effectiveness criterion to each application category in the 2016 Regional Solicitation.

**BACKGROUND AND PURPOSE OF ACTION:** During the Regional Solicitation Evaluation cost effectiveness was frequently mentioned as an important criteria but it was never determined how and if it should be included in each of the application categories. In the final application, cost effectiveness was included as a stand-alone criteria in only the Bridge application category. Other application categories included cost effectiveness within certain criteria and measures. For example the transit expansion application included within the Usage criteria a measure of cost per new rider while three Roadway applications included cost per peak hour kilograms of emissions reduced within their Congestion Reduction criterion.

Including cost effectiveness within other criteria created scoring complications during the 2014 Regional Solicitation and did not allow for a clear comparison of a project's cost effectiveness (i.e., does cost per new rider measure usage or cost effectiveness?). Additional concern with not having a cost effectiveness criteria and measure for each application category also comes from two issues that have surfaced in past scope change requests: a) a cost effectiveness measure can be recalculated if a project requests a scope change due to project cost increases and the request can then be considered relative to how the project would have scored against other projects in the same solicitation and b) defining a cost effectiveness measure will provide direction on whether locally-funded project ancillary elements, such as utility work should be included in the project's cost effectiveness calculations and whether the addition of these locally funded elements should affect approval of a scope change request.

Options discussed at the November 4 TAC meeting:

1. Eliminate cost effectiveness from other criteria and measures and add an overall cost effectiveness criteria and measure for each application category.
2. No change: Continue to allow each application category to include a cost effectiveness criteria and/or measures or not, as in the 2014 Regional Solicitation.

Recommendation: Option 1 - Eliminate cost effectiveness from other criteria and measures and add a new cost effectiveness criterion for every application category.

If Option 1 is adopted by TAB on December 16, then TAC Funding and Programming at its December 17 meeting and TAC at its January 6 meeting will need to consider and recommend how to measure the cost effectiveness criteria and also how to weight and apply the criterion within the scoring system for each application category.

**RELATIONSHIP TO REGIONAL POLICY:** The Regional Solicitation is a key responsibility of the TAB. Through this process, federal funds can be directed to a variety of locally-initiated projects that address transportation needs and help implement regional transportation and development policies. The Regional Solicitation is part of the Metropolitan Council's federally required continuing, comprehensive, and cooperative transportation planning process for the Twin Cities Metropolitan Area.

### **ROUTING**

TO	ACTION REQUESTED	DATE COMPLETED
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Adopt	