

Information Item

Transportation Advisory Board



Meeting date: May 1, 2024

Topic

Scope Change Policy Update

District(s), member(s):	All
Policy/legal reference:	TAB Action
Staff prepared/presented:	Joe Barbeau, Planning Analyst, 651-602-1819
Division/department:	Transportation / Metropolitan Transportation Services (MTS)

Background

The scope change policy, updated in 2018 and 2019, was designed to allow project sponsors to make changes to their projects with the assurance that the project's benefits are intact. Key elements of the current policy include:

- Guidance on what requests are ineligible and what eligible requests need formal approval, as opposed to administrative or informal approval.
- Procedure for staff to determine whether to recommend approval of a scope change request and to provide options for a possible reduction in federal funding.

The policy is written for requested changes related to termini, changing needs for bus types, and other changes that occur during project development. However, in recent years, most scope change requests have related to eliminating a part of a project so it can be completed elsewhere as part of a different project. Requests like this are not well-addressed in the existing policy.

A working group of technical committee members, MnDOT State Aid, and transit representatives was formed to discuss this dilemma along with a similar concern with the Program Year Policy.¹

The primary questions the group addressed around the Scope change policy were:

- Should federal funds be retained for removed project elements being completed as part of another project (as has been recent practice in the absence of policy direction)?
- Should scoring analyses be completed (given that a sponsor still promises to complete the project; again, in the absence of policy direction)?

As shown in the attached document with changes tracked, participants favor simplicity for requests that would not change the "on-the-ground" results of a project, regardless of who completes it.

Highlights of the attached changes include:

- Inclusion of several examples of project changes that do not need to go through the formal process provided the projects are going to be completed as applied for. In other words, these changes would be approved at the staff level.
- Federal funding is retained because the "transaction" (i.e., federal award in exchange for a project) would remain intact.
- Exceptions to the above two bullets that would lead to a formal process:

¹ This policy will be addressed in the coming months. The issue is that many on-schedule projects are requesting delay by more than one year because they're being enveloped into larger projects.

- If the value of the transitioned project elements exceeds the thresholds shown in Table 1.
- The project absorbing the applicant project must be in the TIP or, if not federal, in an agency-approved capital program within the next four years.
- As long as all project elements are retained (i.e., nothing changes “on-the-ground”), federal funding is retained.
- No scoring analysis is needed for requests that lead to no on-the-ground changes.

Changes not specifically related to moving elements to other projects include:

- Informal scope changes can have federal retention of up to \$100,000. Any request for federal retention above that amount would need to be a formal scope change. This solves the issue of staff’s discomfort with allowing for funding retention at an administrative level for minor changes.
- Clarification that changing a transit project from a vehicle purchase to leasing vehicles is not subject to the formal scope change process. This was added as a result of a recent request.
- Any federal funding reduction resulting from reduction of project elements determined to be less than \$50,000 will be retained by the applicant. This is meant to address the dilemma of when to reduce federal funding for project elements that are removed.

