



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 10

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

July 20, 2022

MOTION

Made By: Mr. Merrill **Seconded By:** Mr. Laird

Action: Motion carried, unanimously

Title: SMART SCALE Project Budget Increase for Staunton Crossing Street Extension UPC 111048 in the City of Staunton

WHEREAS, section 33.2-214.1 of the Code of Virginia, provides that the Commonwealth Transportation Board (Board) shall develop a statewide prioritization process for certain projects funded by the Board, including those projects allocated funds pursuant to sections 33.2-358, 33.2-370 and 33.2-371 of the Code of Virginia, and

WHEREAS, on December 8, 2021, the Board adopted a revised SMART SCALE Prioritization Process to govern screening, scoring and selecting projects for funding pursuant to section 33.2-214.1; and

WHEREAS, Item 12 of the Board's SMART SCALE Prioritization Process provides that a project that has been selected for funding must be re-scored and the funding decision reevaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed; and

Resolution of the Board

SMART SCALE Project Budget Increase for Staunton Crossing Street Extension UPC 111048 in the City of Staunton

July 20, 2022

Page 2 of 3

WHEREAS, Item 12.a. of the Board's SMART SCALE Prioritization Process further provides that if an estimate increases prior to project advertisement or contract award that exceeds the following thresholds, and the applicant is not covering the increased cost with other funds, Board action is required to approve the budget increase:

- i. Total Cost Estimate <\$5 million: 20% increase in funding requested
- ii. Total Cost Estimate \$5 million to \$10 million: \$1 million or greater increase in funding requested
- iii. Total Cost Estimate > \$10 million: 10% increase in funding requested; \$5 million maximum increase in funding requested; and

WHEREAS, section 33.2-214 requires projects funded wholly or partially with funds from the State of Good Repair Program pursuant to section 33.2-369, the High Priority Projects Program pursuant to section 33.2-370, or the Highway Construction District Grant Programs pursuant to section 33.2-371, or the Interstate Operations and Enhancement Program pursuant to section 33.2-372, or capital projects funded through the Virginia Highway Safety Improvement Program pursuant to section 33.2-373 in the Six-Year Improvement Program to be fully funded within the six-year horizon of the Six-Year Improvement Program; and

WHEREAS, the Staunton Crossing Street Extension UPC 111048 Project (the Project) was submitted for consideration and selected for \$8,764, 970 in funding through the High Priority Projects Program in the second round of the prioritization process pursuant to section 33.2-214.1; and

WHEREAS, the Project was ranked 15 out of 19 projects selected in Round 2 in the Staunton District with a score of 6.32; and

WHEREAS, the Virginia Department of Transportation (VDOT) received bids for the Project on June 22, 2022 and determined that the price proposals were responsive and represented good competition; and

WHEREAS, based on the price proposals received, the current estimated cost for award of the Project exceeds the current budget by \$2,154,777; and

WHEREAS, VDOT recommends Board approval of a SMART SCALE budget increase of \$2,154,777 using surplus High Priority Projects Program funds (UPC -21770); and

WHEREAS, taking into consideration the proposed SMART SCALE budget increase, the Project was re-scored resulting in a revised score of 4.80 with a decrease in rank from 15 to 16 out of 19; and

WHEREAS, the Project has thus far incurred expenditures totaling \$1,240,685.

Resolution of the Board

SMART SCALE Project Budget Increase for Staunton Crossing Street Extension UPC 111048 in
the City of Staunton

July 20, 2022

Page 3 of 3

NOW THEREFORE BE IT RESOLVED, by the Commonwealth Transportation Board, that the SMART SCALE budget increase of \$2,154,777 for the Project, using surplus High Priority Projects Program funds (UPC -21770), is approved.

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CTB Decision Brief
SMART SCALE Project Budget Increase for Staunton Crossing Street Extension UPC 111048 in the City of Staunton

Issue: The Staunton Crossing Street Extension UPC 111048 project (Project) was selected for funding in the second round of the Commonwealth Transportation Board's (Board) SMART SCALE Prioritization Policy/Process and the current estimated cost for completion of the Project exceeds the approved budget by \$2,154,777. The Virginia Department of Transportation (VDOT) recommends Board approval of a SMART SCALE budget increase in the amount of \$2,154,777 using surplus High Priority Projects Program funds from UPC -21770. Board approval of the budget increase is required.

Facts: Item 12 of the Board's SMART SCALE Prioritization Policy/Process, adopted December 8, 2021, provides that a project that has been selected for funding must be re-scored and the funding decision reevaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed.

Item 12.a. of the Board's SMART SCALE Prioritization Process states that if an estimate increases prior to project advertisement or contract award that exceeds the following thresholds, and the applicant is not covering the increased cost with other funds, Board action is required to approve the budget increase:

- i. Total Cost Estimate <\$5 million: 20% increase in funding requested
- ii. Total Cost Estimate \$5 million to \$10 million: \$1 million or greater increase in funding requested
- iii. Total Cost Estimate > \$10 million: 10% increase in funding requested; \$5 million maximum increase in funding requested

The Staunton Crossing Street Extension UPC 111048 project (Project) was submitted for consideration and selected for \$8,764,970 in funding through the High Priority Projects Program. The Project was ranked 15 out of 19 projects selected for funding in Round 2 in the Staunton District with a score of 6.32.

VDOT received bids for the Project on June 22, 2022 and determined that the price proposals were responsive and represented good competition.

However, based on the price proposals, the cost to award the Project exceeds the current budget by \$2,154,777.

The Project was rescored based on the increased budget, resulting in a score of 4.80, with a decrease in rank from 15 to 16 out of 19.

Thus far, the Project has incurred expenditures of \$1,240,685.

Based on the foregoing, VDOT recommends Board approval of a SMART SCALE budget increase for the Project in the amount of \$2,154,777 using surplus High Priority Projects Program funds (UPC -21770) to fund the budget increase.

Recommendation: Approval of a SMART SCALE budget increase in the amount of \$2,154,777 using surplus High Priority Projects Program funds (UPC -21770).

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the SMART SCALE budget increase for the Staunton Crossing Street Extension Project (UPC 111048) and to provide for the Board's intent and direction to fund the increase with surplus High Priority Projects Program funds.

Result, if Approved: If approved, funds will be transferred so that the project can be awarded.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None