

# SMART SCALE PROJECT RE-SCORE

Route 7 Corridor Improvements in Fairfax County (UPCs 99478 & 106917)

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June 19, 2018

# CTB Policy

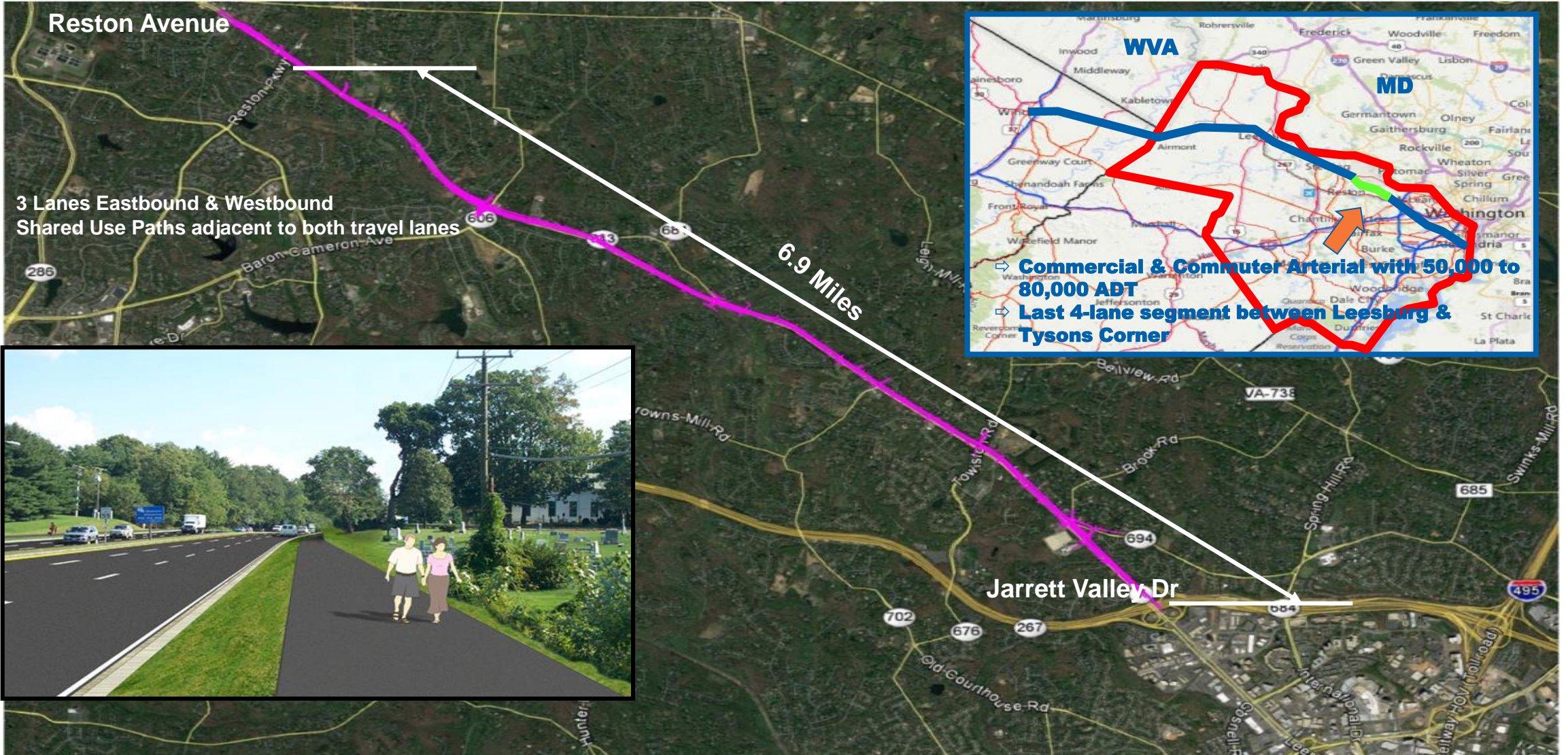
- **A project that has been selected for funding must be re-scored and the funding decision re-evaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed**
- **If the project scope is increased, the applicant is responsible for the additional cost attributable to the increase in scope regardless of budget impact**

# CTB Policy

- **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**

# Original Route 7 Corridor Widening Phases 1 and 2 in Fairfax County (UPC 99478 & 106917)

- **Add one travel lane both directions, upgrade intersections, and construct pedestrian and bicycle facilities**
  - **Phase 1**
    - Colvin Forest Drive to Jarrett Valley Drive
    - Total cost: \$135.8 m
    - SMART SCALE cost: \$77.3 m DGP funds
    - Scored 1.054 and ranked 19/19 in Northern Virginia
  - **Phase 2**
    - Reston Avenue to Colvin Forest Drive
    - Total cost: \$118 m
    - SMART SCALE cost: \$2.5m DGP funds and \$39.8 m HPP funds
    - Scored 1.159 and ranked 18/19 in Northern Virginia



# Project Status

- **Procured following a Design-Build contracting method**
- **VDOT opened price proposals March 29, 2018 and determined that the price proposals were responsive and represent good competition**
- **Lowest price proposal exceeded the estimated cost**
- **VDOT initiated the Best and Final Offer (BAFO) process permitted under Design-Build**
  - **Working with Offerors and stakeholders to identify measures that reduce cost**
  - **Anticipate receipt of final price proposal by the end of June 2018**

# Project Status

- **Higher than anticipated price proposals received from Offerors are influenced by several factors**
  - **High risk attributable to significant number of complex utility relocations, including the \$200 million upgrade project by Washington Gas (in the same project footprint and in the same timeframe) and relocation of a 54” diameter water line**
  - **More than 230 property transactions for the right of way**
  - **Accelerated construction schedule still has a lengthy duration**
  - **Possible increase in unit prices due to a competitive market for construction resources (multiple, ongoing, large scale projects in Northern Virginia)**

# Proposed Scope Change

- **Replace the half interchange at Baron Cameron Avenue with an improvement of the existing at-grade intersection to include a triple left turn from Route 7 westbound**
- **No negative impact to project benefits is anticipated**
- **Estimated cost savings due to proposed scope change**
- **Anticipate additional cost savings due to other changes in technical requirements**
  - **Less restrictive clearances for water line**
  - **More flexibility on easements and location of sound walls to avoid utilities**



# Proposed Budget Increase

- **Budget increase above the defined threshold is anticipated, which requires Board action to approve**
- **VDOT is committed to partnering with Fairfax County to identify funding necessary to deliver this project and the benefits associated with it**
- **VDOT's objective is to award the entire contract with appropriate adjustments based on the Offeror's input**
- **May include design and construction of Route 7 Widening Phase 1 plus design, utility relocation, and right of way acquisition of Route 7 Widening Phase 2 as Base Scope and construction of Route 7 Widening Phase 2 as an option**

# Proposed Budget Increase

- **Recommend CTB and Fairfax County share 50/50 in the final budget increase**
  - **Surpluses on awarded SMART SCALE projects are to be used to cover shortfalls on other approved SMART SCALE projects or reserved for a subsequent round**
  - **Cost savings from awarded High Priority Projects statewide**
  - **Awarded Construction District Grant projects in the Northern Virginia District**
  - **Undistributed balances of Northern Virginia Construction District Grant funds**
- **Anticipate Fairfax County Board approval of additional funding on June 19, 2018**

# Recommendation

- **Approve revised scope and budget increase in July after final price proposals have been reviewed**
  - **Final budget increase will be shared 50/50 with Fairfax County**
- **In the event that the final price proposals exceed the approved budget increase, additional Board action would be required to move forward without construction of Phase 2 prior to contract award**
- **Beginning in Round 3 the SMART SCALE schedule has been extended to allow more time for validation and measure development**
  - **Application timeframe for Round 1 was compressed and the process was new, which resulted in some projects being submitted, and selected for funding, that may not have undergone the rigorous planning and validation process now required**

# Recommendation

- **Modify SMART SCALE application validation process**
  - **Currently all applications, including scope and estimate, are validated at the District level with 10% of applications in each District receiving an additional Central Office review**
  - **Add an additional Central Office review for any application with a SMART SCALE cost of \$50 million or greater and require certification by State L&D Engineer to Chief Engineer**
    - If an estimate is deemed inaccurate, VDOT will coordinate with the applicant to resolve differences
    - Round 1: 4 highway projects met criteria, including Route 7, other 3 have all been awarded under budget
    - Round 2 – 4 highway projects met criteria, 2 have been awarded on/under budget and remaining 2 are under review (both are in NOVA)

