



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 482-5818
Fax: (804) 786-2940

Agenda item # 11

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

October 25, 2022

MOTION

Made By: Mr. Byers **Seconded By:** Mr. Yates

Action: Motion carried, unanimously

Title: SMART SCALE Project Budget Increase for Hydraulic Road and Route 29 Improvements (UPC 118880) in the City of Charlottesville

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

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

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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, Hydraulic Road and Route 29 Improvements (UPC 118880) Project (the Project) was submitted for consideration by the Charlottesville-Albemarle Metropolitan Planning Organization (MPO) and selected for \$5,730,488 in funding through the High Priority Projects Program in the fourth round of the prioritization process pursuant to section 33.2-214.1; and

WHEREAS, the Project has had a cost estimate increase due to higher than anticipated right of way costs, realignment of the intersection at Hydraulic and Route 29, and higher than anticipated unit costs due to inflation; and

WHEREAS, the Project is underway as a design build procurement and has a Request for Proposals (RFP) release anticipated for October and the estimated cost of the project exceeds the approved budget of \$24,030,488 by approximately \$4,223,776; and,

WHEREAS, VDOT recommends Board approval of a SMART SCALE budget increase of up to \$4,223,776 using surplus High Priority Projects Program funds (UPC -21770).

NOW THEREFORE BE IT RESOLVED, by the Commonwealth Transportation Board, that the SMART SCALE budget increase of \$4,223,776 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 Hydraulic Road and Route 29 Improvements
(UPC 118880)

Issue: The Hydraulic Road and Route 29 Improvements UPC 118880 project (Project) was submitted by the Charlottesville-Albemarle Metropolitan Planning Organization (MPO) and selected for funding in the fourth round of the Commonwealth Transportation Board's (Board) SMART SCALE Prioritization Process and the current estimated cost for completion of the Project exceeds the approved budget by \$4,223,776. The Virginia Department of Transportation (VDOT) recommends Board approval of a SMART SCALE budget increase in the amount of up to \$4,223,776 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 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

Hydraulic Road and Route 29 Improvements UPC 118880 project (Project) was submitted for consideration and selected for \$5,730,488 in funding through the High Priority Projects Program by the Charlottesville-Albemarle Metropolitan Planning Organization (MPO) in Round 4 of SMART SCALE. The current estimated cost for completion of the Project exceeds the approved budget by \$4,223,776.

The Project is VDOT administered and is underway as a design build procurement with a request for proposals (RFP) anticipated for October.

Major factors driving the increase include higher than anticipated right of way costs, realignment of the intersection at Hydraulic and Route 29, and higher than anticipated unit costs due to inflation.

VDOT recommends Board approval of a SMART SCALE budget increase to address the shortfall of \$4,223,776 using surplus High Priority Projects Program funds (UPC -21770).

Recommendation: Approval of a SMART SCALE budget increase in the amount of up to \$4,223,776 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.

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

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None