



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 13

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

October 25, 2022

MOTION

Made By: Ms. Sellers **Seconded By:** Mr. Dodson
Action: Motion carried, unanimously

Title: SMART SCALE Project Budget Increase for I-95 Exit 126 Route 1 Southbound onto Southpoint Parkway (UPC 110914) in Spotsylvania County

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:

Resolution of the Board

SMART SCALE Project Budget Increase for I-95 Exit 126 Route 1 Southbound onto Southpoint Parkway (UPC 110914) in Spotsylvania County

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- 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 I-95 Exit 126 Route 1 Southbound onto Southpoint Parkway (UPC 110914) (Project) was submitted for consideration and selected for \$12,745,000 in funding through the Fredericksburg Construction District Grant Program in the second round of the prioritization process pursuant to section 33.2-214.1; and

WHEREAS, the Project was ranked 6 out of 9 projects selected in Round 2 in the Fredericksburg District with a score of 7.20; and

WHEREAS, the Virginia Department of Transportation (VDOT) received bids for the Project on September 28, 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 \$2,328,850; and

WHEREAS, VDOT recommends Board approval of a SMART SCALE budget increase of \$2,328,850 using surplus Fredericksburg Construction District Grant Program funds (UPC - 21762); and

WHEREAS, taking into consideration the proposed SMART SCALE budget increase, the Project was re-scored resulting in a revised score of 6.09 with no change in rank; and

WHEREAS, as of October 4, 2022 the Project has incurred expenditures totaling \$2,107,920.

NOW THEREFORE BE IT RESOLVED, by the Commonwealth Transportation Board, that the SMART SCALE budget increase of \$2,328,850 for the Project, using surplus Fredericksburg Construction District Grant Program funds (UPC -21762), is approved.

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CTB Decision Brief
SMART SCALE Project Budget Increase for I-95 Exit 126 Route 1 Southbound onto Southpoint Parkway (UPC 110914) in Spotsylvania County

Issue: The I-95 Exit 126 Route 1 Southbound onto Southpoint Parkway (UPC 110914) (Project) was selected for funding in the second round of the Commonwealth Transportation Board's (Board) SMART SCALE Prioritization Process and the current estimated cost for award of the Project exceeds the approved budget by \$2,328,850. The Virginia Department of Transportation (VDOT) recommends Board approval of a SMART SCALE budget increase in the amount of \$2,328,850 using surplus Fredericksburg Construction District Grant Program funds from UPC - 21762. 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 I-95 Exit 126 Route 1 Southbound onto Southpoint Parkway (UPC 110914) (Project) was submitted for consideration and selected for \$12,745,000 in funding through the Fredericksburg Construction District Grant Program. The Project was ranked 6 out of 9 projects selected for funding in Round 2 in the Fredericksburg District with a score of 7.20.

VDOT received bids for the Project on September 28, 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 \$2,328,850.

The Project was rescored based on the increased budget, resulting in a score of 6.09, with no change in rank.

As of October 4, 2022, the Project has incurred expenditures of \$2,107,920.

Based on the foregoing, VDOT recommends Board approval of a SMART SCALE budget increase for the Project in the amount of \$2,328,850 using surplus Fredericksburg Construction District Grant Program funds (UPC -21762) to fund the budget increase.

Recommendation: Approval of a SMART SCALE budget increase in the amount of \$2,328,850 using surplus Fredericksburg Construction District Grant Program funds (UPC -21762).

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 I-95 Exit 126 Route 1 Southbound onto Southpoint Parkway (UPC 110914) and to provide for the Board's intent and direction to fund the increase with surplus Fredericksburg Construction District Grant Program funds (UPC -21762).

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