Domestic Scan Proposal Form

AASHTO is now soliciting proposals for the **US Domestic Scan Program** (NCHRP Panel 20-68A).

Selected scan topics will be investigated by one of three ways: (type 1) site visits to three to six locations for approximately a two week period or less, by webinar; (type 2) peer exchange; or (type 3) conducted by a group of eight to 12 transportation professionals with expertise in the selected topic area. Proposed topics should meet the following criteria:

* Address an important and timely need for information by transportation agencies;
* Are of interest to a broad national spectrum of people and agencies;
* Are complex and also “hands-on,” meaning they lend themselves particularly well to exploration through on-site visits; and
* Are sufficiently focused that the tour participants are able to investigate and understand key issues in the limited time available on the tour.

Before submitting your proposal it is highly recommended that you read **What Makes a Good Scan Topic Proposal** [**http://www.domesticscan.org/what-makes-a-good-scan-topic-proposal**](http://www.domesticscan.org/what-makes-a-good-scan-topic-proposal)

This form is designed to collect the full length of your proposal. Sections requiring essays have unlimited space for you to use. Contact information has some limited text. ***Click on the highlighted boxes to advance to the area where you need to complete information.***

# Proposals should be returned no later than date list on NCHRP website.

**IMPORTANT NOTE on How to save your document**: ***LastNameFirst Initial, underscore\_Organization Acronym \_CY2021 Saved Document Name Example: NgetheP\_AASHTO\_CY2021***

***If you have more than one, add a number after first initial: NgetheP1\_AASHTO\_CY2021***

# Domestic Scan Proposal Contact Information

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**AASHTOCommittee**

Council on Highways and Streets

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**Date of submission**

10/30/2020

Please **check** this box if your proposal has been endorsed or is being requested through an AASHTO Committee. List the AASHTO Committee(s) that endorsed this proposal: Russel McMurry & Paul Degges on behalf of the Council on Highways and Streets (email available upon request)

# Title of Proposed Scan:Tools, Methods, and Strategies for Setting Project Development Budgets – U.S. Best Practices

**Problem Statement** (What topic is to be examined? What drives the need for the scan? Why now?)

As transportation professionals we are often asked how much does a capital transportation cost. The answer will vary depending on who provides the answer. It may be the construction cost at the time of project award. It may include right-of-way and mitigation costs. It may include the costs of consultants hired to develop the project, and it may include internal design, review, and project management costs. Many agencies struggle just to state a “Total Project Cost” after the money has been spent. It is even more difficult to provide a “Total Project Cost Estimate” as the project is being proposed. While years of experience and tools exist for setting construction cost budgets, less expertise and tools exist for setting budgets for the delivery costs. These costs include internal staff salaries and external consultant costs for scope development, environmental documentation, investigation and analyses, plan development, public engagement, project management, and construction engineering. Setting a budget for project development is difficult because a portion of this work takes place early in the exploration phase of a project.

At the same time, stakeholders and decision-makers are asking for project budgets; having a clear estimate of what an agency intends to spend developing, delivering, and constructing a project.

**Scan Scope** (What specific subject areas are to be examined? Which cities and states might be visited? Which agencies/organizations (including specific departments or types of staff if applicable)?

The objective of this scan is to examine how project delivery budgets are set for projects where projects are deliver both through public and private efforts. The scope of this scan will focus on pre-construction budget estimates and management, and will not include actual project construction estimates. For this scan, pre-construction elements include, but are not limited to: NEPA process, project management, site investigation, right-of-way process, engineering analyses, design, plan preparation, and pre-letting activities. Significant example questions can include:

Do agencies set a specific pre-construction (or project development) budget for each project?

What work tasks/elements are included in the pre-construction budget (e.g., project management, NEPA, investigation/analyses, right-of-way, post-construction)?

How do agencies manage the engineering scope of a project (e.g., “when is the scope good enough”)?

Does the approach differ if the project is being delivered by a public agency compared to being delivered by a private company (e.g., privately owned/managed toll facilities)?

When are project development budgets set for projects?

Does the size of the construction project impact the approach to setting project development budgets?

How is pre-construction risk and contingency addressed in the process? And how is contingency released over time?

Who is responsible for setting, approving, and managing project development budgets?

What has been successful? What did not work?

How does your agency manage the overall process?

Does the FHWA NEPA process increase the complexity of setting a project development budget?

**Anticipated Scan Results** (What key information is to be gained? What information is to be shared after the scan? Who would the audience be for this information?)

A successful process for setting the project development budget for a capital transportation project will help agencies more effectively manage their limited resources and better communicate to stakeholders and decision-makers the total project cost/total project cost estimate.

Effective resource management includes fully understanding the all the costs associated with a project so a more thorough and accurate return on investment analysis can be performed. This scan will provide agencies a better understanding on how a project impacts their capital, operating, and consulting budgets.

**Benefits Expected** (Including potential impacts on current technology or procedures) A complete understanding of the total cost of the project will give stakeholders and decision-makers an accurate picture of the true cost of a project. Currently the various costs of a project are broken out, departmentalized, and not directly linked or fully accounted for. Providing a total project cost of a capital investment will give the public a better understanding of all the elements that need to be considered during public engagement. Historically, public agencies do not take the steps to develop and communicate the pre-construction costs. This scan will identify tools, methods, and strategies used to develop pre-construction budgets. The scan tour report will document lessons learned and best practices experienced by public agencies and private entities. Private sector lessons and practices may be adapted to public agencies that currently do not set project development budgets. The scan tour report may also provide insight into how to set a project development budget for projects with multiple alternatives, or projects that are still in the planning process. This information will give public agencies greater capacity to explain to stakeholders and decision-makers the total cost for delivering capital transportation investments. Stakeholders and decision-makers will be able to make more informed decisions.