

VIRGINIA DEPARTMENT OF TRANSPORTATION

LOCATION AND DESIGN DIVISION

INSTRUCTIONAL AND INFORMATIONAL MEMORANDUM

GENERAL SUBJECT: Project Application Review		NUMBER: IIM-LD-260 IIM-IID-11
SPECIFIC SUBJECT: District and Central Office Project Application Review and Validation		DATE: August 5, 2020
		SUPERSEDES:
LOCATION AND DESIGN DIVISION APPROVAL: Susan H. Keen, PE State L&D Engineer August 4, 2020	INFRASTRUCTURE INVESTMENT DIVISION APPROVAL: Kimberly A. Pryor Infrastructure Investment Director August 5, 2020	

Changes are shaded

CURRENT REVISION

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EFFECTIVE DATE

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- These instructions are effective upon receipt.
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POLICY

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- The Virginia Department of Transportation (VDOT) oversees numerous application-based transportation funding programs. These applications require review for potential selection and inclusion in the Six-Year Improvement Program (SYIP).
 - This guidance establishes procedures for District and Central Office application validation, including review of project scope, schedule, and cost estimate prior to being added to the SYIP.

- For ALL project applications being considered for inclusion in the SYIP, each application will receive the same level of review and validation by ALL relevant disciplines in order to facilitate the implementation of an appropriate scope and successful on-time, on-budget delivery.
 - This procedure applies to ALL project applications (submitted through the SMART Portal, as well as applications for any other funding program included in the SYIP) regardless of project administration, funding program, or SYIP status.
 - Application validation is vital to the process since any scope changes after project selection may affect the project budget, schedule, eligibility, screening status, viability, federal requirements, etc. For SMART SCALE, State of Good Repair (SGR), Interstate, and Safety program funded projects, any project budget impacts associated with scope changes must be coordinated through Infrastructure Investment Division (IID) or appropriate special program managers for additional programs. SMART SCALE projects must follow the SMART SCALE Cost Over-run Policy. It is therefore critical that any project scopes are thoroughly vetted via application validation prior to any projects being included in the SYIP.
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GENERAL

- Before an application validation review begins, appropriate planning, pre-scoping, program, and/or administrative overhead funding shall be identified to complete all necessary work and oversight associated with the project application.
 - A multi-discipline approach shall be used to review the project scope, schedule, and cost estimate for all project applications.
 - If there is disagreement concerning the scope, schedule, cost estimate, or other application data that impacts application evaluation that cannot be resolved between the applicant and VDOT reviewers, the applicant may request resolution from the VDOT District Engineer/Administrator.
 - VDOT staff performing or assisting with external coordination related to application validation reviews should advise potential applicants to obtain VDOT concurrence on application cost estimates before including any cost or funding commitment information within any formal resolutions required for an application process.
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PROJECT APPLICATION SCOPE REVIEWS

- The project purpose and need must be well-defined with all assumptions clearly documented.

- The documentation for the project scope of work shall ensure that the proposed solution satisfies the purpose and need and is a reasonable solution.
- At a minimum, the scope of work outlined in any project application should clearly define the following items:
 - the limits or termini of the project
 - its physical and operational characteristics
 - critical design elements
 - physical and/or operational footprint
- The above-mentioned scope items should be clearly identifiable in any Project Cost Estimate Package and also clearly identifiable on any supporting sketch, plan set, or other conceptual design documents.
- It is important to ensure that all critical or other required design elements are included to meet the project purpose and need to the extent possible.
- Every attempt should be made to exclude any design elements that do not directly support the purpose and need while still adhering to any applicable federal or state requirements.
- Scope validation should include identification of other projects either proposed or currently included in the SYIP that are (1) in the same location, (2) that meet the same need, or (3) that have overlapping termini and a determination of the impact on existing projects and/or the application.

PROJECT APPLICATION SCHEDULE REVIEWS

- The proposed schedule should be reasonable given the scope of work being proposed. It should focus on setting accurate phase durations for each phase of work identified as needed. Schedules should be based upon applicable VDOT administered Project Web Application (PWA) project templates unless the respective application program assumes local administration of a project as a part of the application.
- The proposed schedule should account for any program specific guidance regarding estimation, the first fiscal year of available funding, or federal or state requirements regarding timely project initiation, obligation of funds, or expenditure of funds.
- Inflation shall be based on program specific guidance regarding estimates and funding availability.

PROJECT APPLICATION COST ESTIMATE REVIEWS

- Project cost estimates for each phase (Preliminary Engineering, Right of Way, and Construction) shall be reviewed for consistency with the project description, sketch, and features identified in the project application and scope of work outlined above. All assumptions for the project cost estimate shall be clearly documented. All items assumed to be covered by the cost estimate shall be included in the stated assumptions. To the extent possible at the time of application review, items specifically excluded from the cost estimate shall also be noted in the stated assumptions as well as in the scope of work outlined above.
- Any project cost estimate associated with a project application shall include costs for contingency, inflation, VDOT oversight (if applicable), and risk items, as appropriate, and shall be developed in accordance with the Locally Administered Projects (LAP) Manual and the current Project Management Office (PMO) procedure on Project Development Estimates and Budgets.
- All project applications with a construction estimate under \$10 million (Tier 1), based on the current year or inflated cost estimate, will be reviewed and approved by the District Project Development Engineer (DPDE).
- All project applications with construction estimates in excess of \$10 million (Tier 2), based on the current year or inflated cost estimate, shall have an additional review by the appropriate Assistant State Location and Design Engineer in coordination with Central Office Subject Matter Experts as appropriate as outlined in the current PMO procedure on Project Development Estimates and Budgets.
- All project applications with a construction estimate in excess of \$50 million, based on the current year or inflated cost estimate, shall also be reviewed and approved by the State Location and Design Engineer in coordination with Central Office Subject Matter Experts as appropriate as outlined in the current PMO procedure on Project Development Estimates and Budgets.
- Thresholds for additional review are based on the current year or inflated cost estimate.

PROJECT APPLICATION FUNDING COORDINATION

- All project applications related to existing UPCs in the SYIP that are requesting additional funding through one or more funding programs shall have their funding information reviewed by IID as part of the application validation process.

- All project applications for proposed projects not included in the SYIP that identify a leveraged fund source (such as concurrent or proposed applications for funding through other VDOT funding programs or approved funding not included in the VDOT SYIP such as local government, transit, or regional funding sources) shall have their funding information reviewed by IID as part of the application validation process.
 - Such review is intended to confirm funding eligibility, timing of proposed funding, and compliance with any applicable federal or state requirements.
 - This guidance applies to ALL VDOT administered funding programs, not just programs administered through SMART Portal.
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RECOMMENDED DOCUMENTATION AND DELIVERABLES MANAGEMENT

- In order to efficiently execute the requirements outlined in this guidance, it is recommended that District and/or Central Office staff performing project application reviews strive to follow a consistent document and/or deliverables management process to ensure that all relevant disciplines have access to application information in order to complete their reviews.
 - At a minimum, any relevant documentation pertaining to project application review coordination, such as communication or other documentation related to reviewing scope, schedule, or cost estimate, with the applicant should be uploaded to the SMART Portal with the application for programs included in SMART Portal. For formal application processes not supported by SMART Portal (ex. MPO or other regional entity processes), interim documentation practices via the use of ProjectWise or by some other consistent internal documentation method, may be used until enhancements are made to SMART Portal to support external coordination for other programs.
 - Any relevant documentation pertaining to project application reviews should be uploaded to ProjectWise using the SMART Portal ID pertaining to the project application.
 - If a SMART Portal ID does not exist, existing identification nomenclature (such as UPC or study ID) should be used.
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REFERENCES

- For further guidance, please refer to the following documents:
 - Project Development Budget and Estimates PMO 3.6
 - Project Risk Management PMO-15

- Project Estimate Package Template
- Guidance on Project Inflation Factors
- SMART SCALE Cost Over-run Policy