

Project and Program Cost Control

UDOT 08-04

Effective: February 17, 2006

Revised: December 27, 2017

Purpose

To establish authority, guidance, and requirements for managing transportation projects and program costs for the Utah Department of Transportation (Department).

Policy

The Utah Transportation Commission (UTC) is designated by State Law to program money to transportation projects and programs. The UTC sets project budgets through Commission action. The Department manages project and program budgets as outlined within UTC 01-01 policy.

Definitions

Commission Approved Amount (CAA)

The UTC sets project budgets through Commission action. The Commission Approved Amount is the dollar amount programmed by the commission for the project.

Construction Estimate

The designer's expected construction costs to build the project or the estimated summation of unit price bid items and related construction costs.

Total Project Cost (TPC)

The Total Project Costs of a project are all the costs to complete a project. The components of costs are:

- PE (Preconstruction Engineering)

- CE (Construction Engineering)

- Construction Costs

- Utilities work

- Right of way

- Change orders

- Contract modifications

- Incentives

- Other Direct and Indirect costs attributable to a project

Total Project Cost Estimate (TPCE)

The TPCE is the estimated total project costs before bid. This includes the Estimated Total Project Costs plus a project specific contingency to deal with risk, change orders, incentives, and contract modifications.

Procedure

Implementation of Project and Program Cost Control

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Responsibility: Executive Director and Deputy Director

Actions

1. Manage scope, schedule, budget, and quality for all projects and programs approved by the UTC and administered by the Department.
2. Program projects within the programs funded by the UTC.

Responsibility: Region Director & Region Program Manager

3. Manage the scope, schedule, budget and quality of the program of projects within their Region.
4. Designate a Project Manager for each project.

Responsibility: Project Manager

5. Responsible for scope, schedule, budget, and quality of a project from preconstruction through project closeout.
6. Verify the Construction Estimate is within the amount budgeted for construction costs and that the TPCE does not exceed the CAA before bid.
7. Keep the TPCE up to date in the Electronic Program Management (ePM) system and adjust costs and cost estimates as appropriate to manage the project.
8. Manage Total Project Costs throughout the life of the project to be less than the CAA.
9. Process change orders as appropriate ensuring TPC remains less than CAA.
 - a. Acquire Region Director approval to execute change orders that cause TPC to exceed CAA or if change order exceeds \$100,000.

Responsibility: Region Director

10. Manage the Region program for all Region projects. Use the Region Director Contingency Funds or working with the Director of Program Development, allocate funds from other sources to projects as necessary.
11. Approve any change from approved projects CAA resulting in a cumulative difference of +/- \$500,000 or 25 percent, whichever is less.
 - a. Any changes beyond these limits must be approved by the UTC.
12. Adjust project scope as appropriate to fit projects within CAA.
 - a. Request Commission approval before proceeding when a projects scope changes.

Responsibility: Transportation Commission

13. Refer to UTC 01-01.

Responsibility: Executive Director and Deputy Director

16. Review, approve, and award bids as appropriate when bids exceed Construction Estimate by 10 percent.
17. Provide the Utah Transportation Commission with reports on project and program budget, scope, and schedule status.