



Project Cost Management Potential Guidelines

- a. Project Cost Management starts with scope management and applies to every project, including projects funded from set-asides.
- b. Adoption of a project Scoping Report is a condition for the project's inclusion in the STIP.
- c. While each project phase has an associated TPCE, only the TPCE at the time the Scoping Report is approved is designated the Baseline Cost Estimate, against which all subsequent TPCE costs are managed.
- d. The Project Construction Cost Estimate (PCCE) set at the time the Scoping Report is approved will be the reference cost against which the Letting and Bid Construction Costs are measured.
- e. The Project Summary Sheet (one-pager) will report, at a minimum, the Project Construction Cost Estimate and the Total Project Cost Estimate.
- f. Once established, the project Baseline Cost Estimate will remain unchanged, so long as the original project purpose and need contained in the Scoping Report do not change. A project that experiences a Scope Change must have a new Scoping Report completed (see *Technical Reference Manual*).
- g. Projects will be allowed to enter the Highway improvement Program (HIP) after a Planning-level project cost estimate is established.
- h. As uncertainty is resolved through the project development process, unused project contingency will be returned to the District program budget. Unneeded project contingency will not be used to increase project scope.
- i. Project Managers will be responsible for Cost Management after a Project Manager is assigned. Project Managers will follow the cost management guidelines and procedures outlined in the *Technical Reference Manual*.
- j. Engineers and managers responsible for project/program delivery in each district will meet every year to discuss cost management and reconciliation of priority expectations and requirements (e.g., Level of Service expectations) with funds allocated to each district.