



Program Management Potential Guidelines

- a. Project-related costs will be managed against an established Baseline Cost Estimate, which is the Total Project Cost Estimate at the time the project Scoping Report is approved.
- b. STIP amendments and administrative modifications will follow established federal requirements and processes.
- c. The Baseline Cost Estimate will remain unchanged unless the project's original purpose and need, defined in the Scoping Report, change.
- d. A Scope Change occurs whenever a change is made to the project's original purpose and need contained in the Scoping Report. A project that experiences a Scope Change must have a new Scoping Report completed.
- e. A Scope Amendment is required if the project's purpose and need do not change, but unanticipated project-related conditions or external events arise that cause a scope expansion and a resulting change in the cost estimate.
- f. Project Managers must seek and obtain approval from the Program Manager and/or ADE for the use of contingency.
- g. The discipline of managing projects within the Baseline Cost Estimate will be established by ensuring that the Scoping Report is accurate and complete, that the Gate after completion of the Scoping Report is implemented, and that appropriate performance measures are used. The Scoping Report will mark the end of the discovery process and will clearly communicate what the project scope includes and what it does not include.
- h. After a Scope Change or Scope Amendment, a STIP Review and a Program Evaluation and Modification will be required at the District level if the Total Project Cost Estimate is likely to exceed the Baseline Cost Estimate. The Project Manager will present such potential cost increases for review as soon as they are foreseen, but the approval decision will only be effective at quarterly Program Review meetings. Immediate review/approval/denial may occur only when a project is scheduled for letting before the next Program Evaluation and Modification meeting.
- i. If at the conclusion of the STIP Review and Program Evaluation and Modification process, the new TPCE exceeds the Baseline Cost Estimate (BCE), the District should down-scope the project so that the TPCE is less than or equal to the BCE. If down-scoping is not feasible or the TPCE

continues to exceed the BCE, the District must submit a Project Scoping Amendment request to the Transportation Program Committee (TPC) for review. The TPC will consider the request and make a decision based on factors such as District, region, or state significance, impact and fairness. If the TPC denies the request to allow an increase in the project BCE, the project must be taken out of the STIP.

- j. Approved Scope Changes and Amendments, and any corresponding cost increases or decreases will be communicated by updating the Project Summary Sheets (one-pager), immediately after approval.
- k. Approved Scope Changes and corresponding cost increases and impacts to the District's Construction Program will be documented and communicated in a timely manner to the appropriate people in the Central Office.