

VIRGINIA DEPARTMENT OF TRANSPORTATION

# LOCATION AND DESIGN DIVISION

## INSTRUCTIONAL AND INFORMATIONAL MEMORANDUM

GENERAL SUBJECT: PROJECT ESTIMATES	NUMBER: IIM-LD-183.11
SPECIFIC SUBJECT: PRELIMINARY ENGINEERING COSTS, PROJECT FUNDING, FURNISHING ESTIMATES TO OTHERS, DOCUMENTATION/SECURITY/RETENTION OF CONSTRUCTION COST ESTIMATES	DATE: MARCH 15, 2012
	SUPERSEDES: IIM-LD-183.10
DIVISION ADMINISTRATOR APPROVAL:                      Mohammad Mirshahi, P.E. State Location and Design Engineer Approved March 15, 2012	

Changes are shaded.

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### CURRENT REVISION

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- Revisions have been made to the interval requirements for updating estimates.
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### EFFECTIVE DATE

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- These instructions are effective upon receipt.
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### PRELIMINARY ENGINEERING

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- The Preliminary Engineering (PE) process is defined by the Federal Highway Administration as “any engineering activity executed preparatory to the letting of a contract for construction.”
  - The Preliminary Engineering process is under the authority of VDOT’s Chief Engineer.
  - The Project Sponsor and Localities are involved in coordinating the establishment of projects to be included in the VDOT Six-Year Improvement Program (SYIP) / Secondary Six-Year Plan (SSYP).

## PRELIMINARY ENGINEERING (PE) AUTHORIZATIONS

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- When a project is established in the SYIP/SSYP, funding is allocated by the Commonwealth Transportation Board based on priorities established by the CTB Members/District Administrator.
  - The Programming Division authorizes and obligates funding according to the SYIP/SSYP scheduled authorization dates for Interstate, Primary, Urban and Secondary projects. The Authorization Form PD3 – Funding Authorization is sent to the District Project Manager / Project Coordinator and Planning & Investment Manager and the project is opened to charges in Cardinal.
  - When a project is administered by a third party, such as a locality, Preliminary Engineering estimates for Congestion Mitigation Air Quantity (CMAQ), Enhancement, and Safety Projects **or other projects**, may be developed by parties other than VDOT. These estimates cannot be changed without their concurrence.
  - Regional Surface Transportation Program (RSTP) funds are controlled and allocations are made by the Metropolitan Planning Organization (MPO). Authorization to begin activities in each phase will not be issued until that phase is fully funded. This applies to any project phase, regardless of fund type.
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### Monitoring Estimates

- The Project Manager/Project Coordinator has the authority to update the estimate at any interval during the project development process as necessary, but shall update estimates (Preliminary Engineering, Right of Way and Construction) in PCES as follows:
  - At major project milestones, such as Scoping/PFI, Public Hearing, Field Inspection, Right of Way and Submission for Advertisement as well as when there are significant changes between major milestones that would affect the project cost.
  - For projects developed for Field Inspection Stage and beyond, the estimate must be entered into Transport and updated in PCES. When changes to the estimate are made that reflect a 10% increase or decrease, or a difference of \$50,000, a Form PD-1 and Revision Request will automatically be generated in the Project Pool. In the construction phase the estimates must be maintained until the project is financially closed (no expected additional charges).
  - For the development of the SYIP, Federal Strategy, and TIP/STIP or as otherwise needed for programming activities.
  - Projects with a Financial Plan are to be updated once a year in accordance with the latest FHWA Efficiencies Agreement, which can be accessed at [https://insidevdot.gov.virginia.gov/div/ld/QSP/Shared%20Documents/VDOT-FHWA%20Agreements and Memoranda/EFFICIENCIES AGREEMENT May-07-final.pdf](https://insidevdot.gov.virginia.gov/div/ld/QSP/Shared%20Documents/VDOT-FHWA%20Agreements%20and%20Memoranda/EFFICIENCIES%20AGREEMENT%20May-07-final.pdf)

- Additional information relative to project management is available at the Project Management Office Team Site at:  
[http://www.virginiadot.org/business/resources/Project\\_Management\\_Online\\_Guide.pdf](http://www.virginiadot.org/business/resources/Project_Management_Online_Guide.pdf)