



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

ROY COOPER  
GOVERNOR

JAMES H. TROGDON, III  
SECRETARY

January 24, 2018

MEMORANDUM TO: Mr. Robert Lewis, P.E.  
Chief Operating Officer

FROM: Van Argabright, P.E.  
STIP Unit Manager

SUBJECT: Reprioritization of Committed Projects

As part of the approval of the Strategic Transportation Investments (STI) prioritization scoring process, the Board of Transportation has defined that projects programmed in the State Transportation Improvement Program (STIP) achieve "Committed" status once they are funded for Right-of-Way or Construction in the first five years of the STIP. NCDOT is committed to delivering these projects, therefore they are not subject to reprioritization in future cycles of the STI prioritization process. However, as a project progresses through the preliminary engineering process, changes may be made such that it no longer resembles the project that was scored through the prioritization process. These changes could result in the project being reprioritized in a future prioritization cycle using the updated data.

This memo describes the two part process for deciding when committed projects should be reprioritized. The first step consists of a screening of projects to determine if any thresholds are met that would warrant further review. For projects that meet those thresholds, the second step then focuses more in depth on why the project changed and potentially includes a detailed review of the project by a Programming-led committee in coordination with other NCDOT staff and MPOs and/or RPOs.

**It is the intent of this review process to allow the majority of projects to continue to move forward as-is**, with a focus only on the projects that are vastly different from when they were last scored. This process seeks to bring balance between the normal, important changes to projects in the development process and the unintended impact of these changes to other projects (most notably, how an increase in a project's costs can affect funding availability and schedules for other projects).

The following three characteristics generally drive a committed project to morph into a “different” project from what was previously evaluated:

- Cost changes
- Scope changes
- Financial arrangement changes

For each of these three characteristics, thresholds are described below that will trigger a review of the project by the STI Committee for Reprioritization (STICR):

- **Cost** – If the cost of the project increases by more than 35% OR more than \$25 million from the cost used in the latest prioritization score
- **Scope** – If the project is revised such that the project is down-scoped, resulting in a decrease of the overall benefits by more than 50% from the value used in the latest prioritization score; OR the project was approved as a future primary route and the project is funded in the Statewide Mobility or Regional Impact categories, and is no longer being designed to meet applicable standards
- **Financial Arrangement** – If the local contribution decreases by any amount (toll revenue estimate excluded)

For each project that meets one or more of the above thresholds, the STICR may consider the following information (but not limited to) as part of a preliminary review to determine if the project should continue moving forward as-is or if further discussion by the STICR is warranted:

- The original date and source of the cost estimates used in the latest prioritization score
- Why the cost increased (i.e., increase in Right-of-Way cost, increase in Construction cost, increase in Utilities cost, etc.)
- The magnitude of the cost change
- Whether the cost threshold is exceeded due to cost inflation
- The reason for the scope change
- The updated prioritization score based on the revised cost and/or change in benefits
- The sequencing of the project with other nearby projects
- The potential impact to the public of delaying the project
- Whether the project will affect an impending economic development opportunity

As part of this preliminary review, Programming staff will notify the affected Division(s) and MPO(s)/RPO(s), the Project Management Unit (for centrally-managed projects), and the Feasibility Studies Unit and request comments on projects that meet one or more thresholds. Comments should focus on the rationale for the cost or scope change, potential impact of a delay to the public and/or sequencing of projects, the effect the project has on an impending economic development opportunity, and any other pertinent information that will assist the STICR in their decision-making.

**In the rare instance where the STICR recommends further discussion**, the STICR will schedule a meeting with the associated Division(s), MPO(s)/RPO(s), and other NCDOT staff to discuss options for the project. Options may include re-scoping or modifying the project, recommending that a value engineering study be performed for the project in order to reduce costs, continuing to move the project forward as-is, or recommending that the project be reprioritized in the next cycle of the STI Prioritization process. While every attempt will be made to reach consensus on how the project should proceed, the STICR will make the final decision. If the affected MPO(s)/RPO(s) disagrees with the STICR’s decision, they may appeal the decision to the Chief Operating Officer and/or Secretary of Transportation.

The STICR will consist of NCDOT staff from the following business units:

- Director of Division of Planning and Programming (Chair)
- STIP Unit
- Strategic Prioritization Office (SPOT)
- Chief Engineer's Office
- Technical Services Division

It is proposed that this review process occurs (and the STICR meets) twice a year. Decisions will be documented and will be reached by consensus, with the Chair of the Committee signing off on the decisions reached.

**This process will be implemented beginning with all projects committed in the 2020-2029 STIP as result of Prioritization 5.0 (P5.0).**

If you approve of this operational policy on the reprioritization of committed projects, please sign the approval line below.

Thank you in advance for your attention in this matter.

Approved By: \_\_\_\_\_



Robert Lewis, P.E.  
Chief Operating Officer

RVA/dsw

cc: Tim Little, P.E., Chief Engineer's Office  
John Rouse, P.E., Chief Engineer's Office  
Louis Mitchell, P.E., Chief Engineer's Office  
Chris Werner, P.E., Technical Services  
David Wasserman P.E., Strategic Prioritization Office and STIP Unit