

Draft Memorandum for the Record

Boston Region Metropolitan Planning Organization

TIP Project Cost Ad Hoc Committee Meeting Summary

June 3, 2021 Meeting

12:30 PM–2:00 PM, Zoom Video Conferencing Platform

Eric Bourassa, Chair, representing Marc Draisen, Metropolitan Area Planning Council (MAPC)

Meeting Agenda and Summary of Discussion

1. Introductions

E. Bourassa called the meeting to order, read the accessibility statement, and called the roll of attendees. E. Bourassa shared the main goals for the TIP Project Cost Ad Hoc Committee and asked members to share their goals.

2. Public Comments

Catherine Bowen (Town of Belmont, Town Meeting, School Committee, and Belmont Community Path Committee Member) asked the committee to address whether a new policy would require a municipality to cover an unanticipated cost increase for its project programmed in the Transportation Improvement Program (TIP).

3. Discussion of the TIP Project Cost Ad Hoc Committee Goals—*Matt Genova, MPO Staff*

M. Genova shared a list of discussion questions for the committee to frame the discussion of the TIP Project Cost Ad Hoc Committee's goals. M. Genova stated that one of the main goals for this meeting is to understand the needs of the committee and support staff can provide in terms of research and resources.

Discussion

Brian Kane (MBTA Advisory Board) stated that the MPO should keep policy consistent for federal fiscal year (FFY) 2022–26 projects, but implement a new policy for projects starting in FFY 2027. B. Kane suggested exploring whether the MPO needs to fund 100 percent of a TIP project or consider funding projects at a tiered level, where a project would get 100 percent of funding if it had a high impact on equity and less than 100 percent of funding if it did not support the MPO's equity goals as meaningfully. B. Kane stated that using 100 percent of available TIP funds each year does not leave flexibility when costs increase. B. Kane stated that he wants the MPO to be in a position to do more projects in more communities, especially in environmental justice communities.

John Romano (Massachusetts Department of Transportation [MassDOT] Highway Division) stated that the board must find ways to get the initial cost estimates for TIP projects closer to the real final costs. J. Romano suggest researching past projects to understand where cost increases have generally occurred and in what types of projects. J. Romano suggested that considering projects before the 25 percent design could be too early. J. Romano stated that certainty in cost allows the MPO to make informed decisions. J. Romano stated that in the last TIP cycle there seemed to be a disconnect between consultants and MassDOT staff on contingency costs added when projects were assigned a project number.

Jay Monty (City of Everett) stated that it is unclear where there is accountability in the process when costs change. J. Monty stated that municipalities put in 10 to 20 percent of the project cost through design, right-of-way acquisition, and permitting. These costs are in the beginning of the process, and capital funding from the MPO comes last. Removing the MPO's funding commitment creates uncertainty for the municipality in the event of a project cost increase. J. Monty suggested that there should be more joint accountability throughout the process for all parties.

Len Diggins (Regional Transportation Advisory Council) stated that the MPO needs more information on costs to better understand what to expect when a project is funded. L. Diggins stated that he does not think the MPO should take back funding from a project near the end of the project development process.

Tom Bent (Inner Core Committee) (City of Somerville) stated that in the last TIP cycle, the MPO experienced many last-minute cost increases from MassDOT and he asked why these new project cost numbers were not included earlier in the process. T. Bent suggested that staff provide a breakdown of the specific costs to show where the increases are occurring so that the MPO knows what they are approving. T. Bent suggested revisiting the four percent inflation contingency included in initial project cost estimates. T. Bent stated that construction inflation is currently high, therefore four percent might not be enough. T. Bent shared that police details are big drivers of cost increases and asked what control the MPO and MassDOT have over police detail funding allocation.

Ben Muller (MassDOT Office of Transportation Planning) said that often a handful of projects drive most of the cost increases. B. Muller asked if MPO staff can identify these high-risk projects earlier and focus on addressing high project cost increases. B. Muller shared that other MPOs in Massachusetts are working year-round with proponents to understand and mitigate risks.

Ken Miller (Federal Highway Administration) stated that there is no incentive for project designers to keep project costs down and the MPO is the only party with a strong incentive to keep costs down. K. Miller suggested looking at costs of projects per mile or by another unit of measure to allow the MPO to ask more informed questions about why certain costs are higher than others. K. Miller said that federal funds can be used for project development and suggested that the MPO could fund design if the board decided to do so for high-quality projects.

E. Bourassa stated that he wants to understand how the MPO can influence better cost estimating. E. Bourassa stated that part of the problem is that the MPO does not incorporate cost into scoring a project. Once the MPO has scored a project and it goes up in cost, the MPO does not have a way of reevaluating the score. E. Bourassa stated that he wants to better understand how to incorporate cost in the scoring of a project and reevaluate the score when costs change to allow for a better comparison with other potential projects.

J. Monty reiterated that cost increases occur for both municipal and MassDOT projects. J. Monty stated that he agrees that there is currently an incentive for proponents to add more features to projects when it is possible and that there is a disconnect between the people making funding decisions and the people making design decisions.

B. Muller said that MassDOT did an internal analysis of cost increases for state projects in 2020 and found that the largest driver of cost increases was projects that had a large delay, such as four years, between 25 and 75 percent design submission. B. Muller stated that during that time period, often policies and designs would change and affect the total cost of a project. B. Muller stated that projects that move faster tend to have fewer cost increases, while projects with multiple delays are at higher risk for rising costs.

K. Miller agreed that cost increases occur in municipal- and state-driven projects. K. Miller stated that MassDOT District offices have an incentive to add to projects rather than keep costs at the same level. K. Miller said that the focus of MassDOT project managers on advertising and schedule leads to less of a focus on budget.

L. Diggins asked for more information from B. Muller on common causes for project delays between the 25 percent and 75 percent design submissions. B. Muller responded that projects can lag because they are not due to advertise for a while and capacity can be low both at the MassDOT and municipal level. B. Muller added that projects can also be more complex than expected and issues arise at the 25 percent

design submission. In MassDOT's analysis, there are many factors that can contribute to lag, but when lag occurs, the costs tend to rise.

E. Bourassa recapped committee members' suggestions for committee goals and discussion topics. These suggestions included looking more at project oversight and the potential to identify high-risk projects, reviewing project elements to see if specific details are driving costs, and looking at how to share funding resources more widely across municipalities in the region. E. Bourassa made suggestions about the types of recommendations the MPO can make to different stakeholders involved.

B. Muller stated that other MPOs have set up milestones for projects that have to be met in order to stay in the TIP. Southeastern Regional Planning and Economic Development District (SRPEDD) requires projects to be at 25 percent design, or the projects will not be programmed in the fifth year of the TIP. Project proponents work with SRPEDD staff to identify when projects are running behind schedule, and SRPEDD staff implement a milestone threshold for each funding year. The Cape Cod Commission (CCC) came up with specific milestones by design years and incorporated risk assessments per project in each TIP cycle.

E. Bourassa asked B. Muller if other MPOs have removed projects from the TIP based on risk or project cost increase. B. Muller responded that SRPEDD removed one project because the municipality's Town Meeting did not approve right-of-way authority. CCC had a project in recent years that dramatically rose in cost. CCC staff worked with the town to phase the project into manageable pieces for CCC's budget.

J. Monty asked, if the MPO funded design, would the board be more willing to take back capital funding allocated to a project. J. Monty also asked if the MPO board would have more ready-to-go projects to slot into the early years of the TIP when gaps open. J. Monty suggested that the MPO could potentially fund only two to three years out and then backfill with MPO-designed projects as needed.

L. Diggins stated that he agrees with the idea of the MPO funding design as this gives the MPO more control over design and ensures a project meets the MPO's goals with an emphasis on equity. L. Diggins said that he wants to limit the unexpected last-minute cost increases coming to the attention of the MPO at the same time during TIP development.

K. Miller described the Pioneer Valley Planning Commission's (PVPC) project cost policies that enforced project funding limits. When one of the projects increased in cost, the PVPC refused to cover the cost increase and the municipality had to pay instead.

B. Kane stated that the demand for transportation project funding seems infinite. B. Kane stated that the MPO needs to put limits on the funding supply as a method for controlling the demand, otherwise the demand will be limitless. B. Kane noted that some elements could be cut from a project scope to control costs and allow the MPO to make a broader regional impact.

T. Bent said that some of the committee's recommendations should focus on MPO-controlled elements. T. Bent asked if the MPO can look at value engineering issues. T. Bent suggested a policy that states if a project increases by more than a certain percentage, the MPO will not fund it, and a municipality can either cover the costs or lose their funding in the TIP.

E. Bourassa stated that his aim is to get to a clear cost-increase policy with this committee. J. Romano noted that not all cost increases are a negative. Some cost increases are in response to public input. J. Romano stated that other cost increases are because a problem arises in project development which can be out of a project proponents' control. J. Romano stated that the MPO needs more information on how costs are determined and why costs increase to make an informed decision.

J. Monty said that many project cost increases are from issues discovered during project design, which may be necessary based on engineering realities. J. Monty posed that the MPO might be funding projects too early, which limits the information available on engineering issues at the time of the funding decision.

L. Diggins stated that context is critical and that it is preferable to understand the situation rather than have the MPO refuse all cost increases. L. Diggins stated that he liked the notion of the MPO designing a project to a specific cost, with the MPO's goals and community needs in mind, and then only providing funds at that cost. If costs go up, the project proponent can come and communicate to the MPO, and the MPO can consider the cost increase.

B. Muller stated that through the TIP amendment process the MPO does have the opportunity to discuss whether the MPO wants to cover the increased costs of a project. The TIP Amendment process has a public comment period and is public record. The MPO has the opportunity to ask questions of the municipality, the Highway Division, and the district manager. B. Muller stated that historically the TIP amendments get held to the TIP cycle because there does not seem to be time to do a TIP amendment while there is other work the MPO needs to complete. B. Muller suggested exploring a reevaluation of the amendment process to ensure that the MPO can ask questions and have the right people on in the room to answer the questions.

E. Bourassa noted that the TIP development process happens so quickly that it is difficult to keep track of all the project changes. E. Bourassa agreed that the MPO can reevaluate TIP amendment process and how it relates to the TIP development process.

B. Kane suggested researching more information on recent cost increases; whether there are MPOs that fund design and whether there are factors that help those MPOs make those decisions; other methods for assuming inflation rates; and what is feasible for additional project check-ins. B. Kane stated that he believes a tiered funding process where some communities get a larger percentage of their project funded than others would prioritize environmental justice populations.

J. Monty asked if the MPO could review the Virginia Department of Transportation's project-cost-benefit process again, referring to an MPO presentation made by Beth Osborne of Transportation America in January 2020.

E. Bourassa stated that in order for the MPO to score a project, a certain amount of information has to be provided. At this time, the current requirement is for a project proponent to provide a functional design report prior to the 25 percent design. E. Bourassa stated that the MPO needs to better understand when projects typically have the biggest jump in cost increase. E. Bourassa commented that the MPO could consider changing the rules on when projects are scored and what information is required.

J. Romano suggested incorporating a risk factor into the MPO scoring process.

L. Diggins suggested having further discussions with municipalities to learn more about their experience in the process and to solicit their feedback on proposed changes to the TIP process.

J. Monty stated he agreed with incorporating a risk factor at the functional design report stage and suggested that the MPO could take on funding design at this point to ensure the project aligns with MPO goals. J. Monty stated that the MPO would have more say in the project but the municipality would still bear the burden of project management.

C. Bowen commented that she is aware that Belmont is largely wealthy and white, but the Trapelo Road project was funded and this project positively impacted the portion of Belmont that is more transit-dependent. C. Bowen stated that municipalities would probably welcome milestones and clarity of process because it would support municipalities when making responsible decisions on project design.

Steve Olanoff (Three Rivers Interlocal Council Alternate) asked for more information on project cost breakdowns.

B. Muller stated that in MassDOT's project cost analysis, the most helpful analysis looked at all the projects advertised in the last federal fiscal year, when they met their design milestones, what the costs were over time, and the project descriptions.

4. Discussion of the TIP Project Cost Committee Schedule—Eric Bourassa, Vice Chair

E. Bourassa stated that he would like to aim to provide recommendations to the MPO board by September and that the committee plans to meet throughout the summer. E. Bourassa said that the policy recommendations should have a public comment period prior to the next TIP cycle and be implemented in November. M. Genova responded that bringing a policy to the board in September works in the TIP cycle. M. Genova added that staff can engage municipalities and other stakeholders throughout the process.

Discussion

L. Diggins commented that a committee meeting would work on Thursdays unless UPWP Committee and MPO meetings are already scheduled, in which case there would be three meetings in one day.

J. Romano commented that he cannot attend committee meetings on the second Thursdays of the month.

5. Members Items

There were none.

6. Next Meeting

The next meeting of the TIP Project Cost Ad Hoc Committee will be on Thursday, June 17, 2021, at 10:00 AM.

7. Adjourn

The committee adjourned with no objections.

Attendance

Members	Representatives and Alternates
Massachusetts Department of Transportation (Highway Division)	John Romano
MBTA Advisory Board	Brian Kane
Metropolitan Area Planning Council	Eric Bourassa
Regional Transportation Advisory Council	Lenard Diggins
At-Large City (City of Everett)	Jay Monty
City of Boston (Boston Planning and Development Agency)	James Fitzgerald
Inner Core Committee (City of Somerville)	Thomas Bent
SouthWest Advisory Planning Committee (Town of Medway)	Peter Pelletier
Three Rivers Interlocal Council (Town of Norwood/Neponset Valley Chamber of Commerce)	Tom O'Rourke

Other Attendees Affiliation

Catherine Bowen	Belmont Community Path Member
Bonnie Friedman	
Aleida Leza	
Ken Miller	Federal Highway Administration
Benjamin Muller	MassDOT Office of Transportation Planning
Steven Olanoff	Three Rivers Interlocal Council Alternate

MPO Staff/Central Transportation Planning Staff

Tegin Teich, Executive Director
Matt Archer, Transportation Planner
Annette Demchur, Director of Policy and Planning
Matt Genova, Transportation Improvement Program Manager
Betsy Harvey, Transportation Equity Program Manager
Sandy Johnston, Unified Planning Work Program Manager
Anne McGahan, Chief Planner
Michelle Scott, Chief Planner
Kate White, Transportation Planner/Public Outreach Coordinator
Róisín Foley, Administrative and Communications Associate

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