

Draft Memorandum for the Record Boston Region Metropolitan Planning Organization TIP Project Cost Ad Hoc Committee Meeting Summary

August 19, 2021, Meeting

10:00 AM–11:20 PM, Zoom Video Conferencing Platform

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

Materials

Materials for this meeting included the following:

1. [June 3, 2021, Meeting Summary](#)
2. [Initial Draft Programming Policies to Address Transportation Improvement Program \(TIP\) Project Cost Increases Memorandum](#)

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.

2. Public Comments

There were none

3. Action Item: Summaries of the June 17, 2021, and July 8, 2021, meetings

Vote

A motion to approve the minutes of the meetings of June 17, 2021, and July 8, 2021, was made by the Inner Core Committee (City of Somerville) (Tom Bent) and seconded by the Massachusetts Bay Transportation Authority (MBTA) Advisory Board (Brian Kane). The motion carried.

4. Continued Discussion of Draft Programming Policies—*Matt Genova, MPO Staff*

M. Genova provided an overview of the three potential policy interventions that emerged during the Ad Hoc Committee's first four meetings. A [detailed memorandum of these interventions](#) is available on the MPO website.

1. Require more advanced design status at project programming: This policy would require that projects reach 25 percent design submission and obtain updated cost estimates prior to programming. The 25 percent design submission is the first design status at which a project receives a full engineering review by MassDOT. At the July 29, 2021, Ad Hoc Committee meeting, members discussed using the pre-25 percent design meeting between proponents and MassDOT as a benchmark for programming. M. Genova stated that there is a greater certainty of the cost estimate for projects after reaching 25 percent design submission. He stated that the transition from Project Review Committee (PRC) approval to 25 percent design submission is where the largest project cost increases occur, based on an analysis of previously funded projects. He added that 25 percent submission is a well-known step in project development. The pre-25 percent design meeting may be unfamiliar to proponents, as it was introduced in 2021. Due to its recent implementation, the accuracy of cost estimates determined during pre-25 percent design meetings is unclear.

This policy change would be complemented by three additional policy changes:

- Formalize a preliminary project evaluation step (at PRC approval) to offer proponents guidance on how their project scores before investing in design. This would provide proponents guidance on how likely their project is to receive MPO funding before significant local funding is invested in design. Projects could be scored any time after PRC approval. These scores could be shared with the MPO to provide information to the board on projects in the pipeline for funding in future TIP years.
- Establish additional benchmarks for project design progress, from programming to advertisement, to set clear expectations for proponents.
- Create additional instructional materials on the TIP process to support proponents. A TIP “how-to” guide could include project development benchmarks and links to MassDOT resources, among other information.

M. Genova stated that there is an outstanding question for this recommendation: Should the 25 percent design threshold apply to projects already included in the MPO’s Long-Range Transportation Plan (LRTP)? He stated that the current policy is to score LRTP projects before they are programmed in the TIP. But the board should also set clear expectations for these proponents on when they will be considered for funding and the extent to which they need to have steps in the design process completed before being considered.

B. Kane stated that projects already programmed in the TIP should not be addressed by the new policies, and the new policies should be applied to new projects programmed in federal fiscal year (FFY) 2027 onward. He suggested that

the proposed policy should be applied to unprogrammed projects in the LRTP on a case-by-case basis.

John Romano (MassDOT) suggested providing a checklist of costs included by MassDOT, such as police detail, to proponents in any future guidance documents. This would ensure that certain costs would be accounted for at an early stage in design and would prevent cost increases in later stages of design due to oversight.

Lenard Diggins (Regional Transportation Advisory Council) supported this suggestion.

L. Diggins stated that the 25 percent submission threshold should apply to current LRTP projects and that this policy change should be clearly communicated to proponents of LRTP projects. E. Bourassa supported this suggestion, stating that large-scale projects, such as those included in the LRTP, can be subject to large cost increases.

Steve Olanoff suggested that the MPO board should receive a breakdown of the costs of a project, including contingencies, rather than only seeing one overall cost estimate.

L. Diggins asked about the significance of the 25 percent design public hearing. He stated that setting the programming threshold to this level could prevent cost increases more effectively than the 25 percent design submission threshold. E. Bourassa stated that municipalities engage the public during the conceptual stages of project design, and that the 25 percent public hearing is a requirement to receive federal funding. He expressed that there are informal processes at the municipal level that allow for public input outside of the 25 percent public hearing.

John Bechard (MassDOT) expressed hesitance at setting the programming threshold to the 25 percent design public hearing, stating that the gap between the 25 percent design submission and the design public hearing can be three to nine months. He acknowledged that there are occasions where a project reaches the public hearing phase and members of the public are not fully informed of the entire project scope but added that MassDOT recommends engaging the community prior to reaching the 25 percent design submission.

Ken Miller (Federal Highway Administration [FHWA]) stated that FHWA has found that some proponents engage the public in early stages of design better than others. He noted that FHWA does not have a public design hearing requirement.

J. Romano expressed that the proposed policy change would encourage proponents to conduct outreach prior to reaching 25 percent design submission, as large cost increases could occur based on public input.

2. Create additional touch points between project proponents, MPO staff, the MPO board, and MassDOT staff. This would include
 - establishing biannual check-ins between MPO staff, project proponents, and MassDOT Highway District staff (This would be over and above current levels of communication with proponents.);
 - encouraging proponents to include MPO staff on design submissions to MassDOT; and
 - requiring proponent presentations to the MPO when there are major project cost or scope changes.

M. Genova stated that there are three key reasons behind this proposed policy:

- It would provide the MPO board with more complete and timely information to inform decision making.
- It supports proactive conversations between all parties to address problems before they impact a project's schedule or cost.
- It fosters greater proponent accountability for their project.

M. Genova expressed an outstanding question for this policy change: What action should the MPO take if project proponents do not meet the requirements for engagement?

L. Diggins expressed that proponents should meet this requirement or risk jeopardizing their project funding.

3. Establish a multistep policy for rescoring projects when project costs change beyond a specified threshold. This threshold would be \$2.5 million for projects more than \$10 million in base cost, or 25 percent of the total project cost for projects with a base cost of under \$10 million. After exceeding either of these thresholds, proponents would be required to attend an MPO meeting to explain the cause of the cost increase. If the cost change is a result of an updated project scope, proponents could request that their project score be updated to reflect the changes. The new cost and score would then be plotted on the four-quadrant matrix, [as discussed at the July 8, 2021, meeting](#).

In response to the presentation and rescoring, the MPO board may elect to make changes to a project's status, also considering:

- Cost, score, and status of other projects

- Availability of funds in the given FFY
- Past cost or readiness issues for the project in question
- Distribution of funds across MPO Investment Programs

After consideration, the decisions made by the MPO on a project's status may include:

- MPO funding of cost increase in the project's current FFY
- MPO funding of cost increase in a different FFY
- Denial of MPO funding at the increased cost, with a request that the proponent seek alternative funding sources to cover cost difference or value-engineer the project to reduce the cost increase
- Removal of the project from the TIP

M. Genova stated that proponents could request that the MPO reconsider their decision via written or oral comments. This would reinforce the collaborative nature of continuing, cooperative, and comprehensive (3C) document development. He added that the rescoring of projects would occur during development of a new TIP document or an amendment to the existing TIP. The MPO may suspend the rescoring process if exceptional circumstances arise, including an unexpected influx of new funding or a shift in MPO funding priorities.

M. Genova provided an overview of the key reasons for this proposed policy:

- It provides the MPO board with more complete, timely information to understand cost and scope increases.
- It maintains MPO flexibility to make decisions with both qualitative and quantitative information.
- It provides proponents with clear guidance on the process for addressing cost increases.

M. Genova posed outstanding questions regarding this proposed policy change:

- What action should be taken if a project has cost increases in multiple FFYs?
- Should alternative metrics, such as cost per user or cost per mile, be used as comparative tools?
- How should the MPO handle rescoring existing projects using the current TIP evaluation criteria? He noted that projects programmed prior to implementation of the current criteria will need to be reevaluated so that all projects are viewed on the same 100-point scale.

K. Miller supported using comparative metrics, adding that project types could carry their own metrics for comparison. He suggested evaluating cost-effectiveness during

project programming and using this as a metric for comparison for future cost increases. He noted that a project can increase in cost and still be cost-effective.

Jay Monty (City of Everett) supported using cost-effectiveness as a metric. He added that cost-effectiveness should be considered for all projects, not just those with cost increases.

J. Monty stated that the Committee should consider the repercussions of a proponent being unable to find an alternate funding source for a project. E. Bourassa agreed that this should be considered but noted that the proposed policy explains the avenues available to the MPO, and that asking proponents to seek an alternate funding source is a more extreme option. M. Genova stated that this could be an opportunity to open a dialogue with a proponent to discuss potential funding options. He expressed that this policy would provide the MPO with the greatest flexibility while maintaining avenues for discussion with municipalities.

B. Kane stated that the policy recommendations proposed by M. Genova provide a significant improvement to the current TIP process and supported the current TIP criteria.

L. Diggins expressed that MPO staff's policy of comparing projects within a given funding category provides a distinction like those requested by K. Miller. He suggested that cost increases across multiple FFYs be treated as independent events. E. Bourassa suggested that the total project cost should be communicated when discussing cost increases for projects spanning multiple FFYs.

M. Genova confirmed that projects would be compared within their funding category and clarified that the proposed policy would put all programmed projects on the current 100-point TIP evaluation scale, and projects would be plotted on a four-quadrant matrix. Cost changes would be evaluated based on this matrix.

5. Discussion of Next Steps for the TIP Project Cost Ad Hoc Committee *—Matt Genova, MPO Staff*

M. Genova posed the following questions to Committee members:

- Should the MPO consider increasing the annual inflation rate for project costs from four percent?
- Should the MPO consider adopting a practice of not fully programming the TIP in any given FFY?
- In what FFY should the MPO's new rescoring policy take effect?

T. Bent suggested that MassDOT evaluate the impact of increasing the annual inflation rate, and suggested meeting with MassDOT to discuss their flexibility regarding cost escalation within their contracts. He noted the increasing costs of construction materials and how this might affect project cost, depending on the date of purchase of raw materials. L. Diggins suggested incorporating compounding inflation into the TIP. E. Bourassa expressed concern that being overly conservative with project programming could impact the advancement of project design, noting that TIP programming prioritizes projects for MassDOT. He suggested that the Ad Hoc Committee advocate for the proposed policy changes and discuss changes to the inflation rate after analyzing the efficacy of these policies.

L Diggins supported not fully programming the TIP in a given FFY to better mitigate the effects of project cost increases. In addition, he suggested that the rescoring policy should take effect in FFY 2023.

J. Monty noted that this policy would likely result in few new projects in the upcoming TIP, as the time between a project reaching PRC approval and 25 percent design submission can exceed one year.

E. Bourassa asked about the status of projects in the TIP Universe of Projects. M. Genova stated that the Universe includes 14 projects that have been previously evaluated but not programmed, and five projects that will reach 25 percent design submission by early 2022. This is in addition to projects submitted through the Community Connections program, which are evaluated on different criteria.

J. Monty asked if, given the potential lack of competition and abundance of funding in FFY 2027, all projects meeting the 25 percent design submission threshold would be programmed regardless of their evaluation score. E. Bourassa requested that M. Genova provide more information about potential programming scenarios for the upcoming TIP at the next Ad Hoc Committee meeting. L. Diggins noted that the MPO is not required to fund a project simply based on having been evaluated, adding that having a relatively open TIP year would help mitigate issues seen in the past two TIP cycles.

B. Kane and J. Romano supported a blended approach to implementation.

J. Romano asked how the Infrastructure Investment and Jobs Act could impact available TIP funding in future years. E. Bourassa stated that he anticipates that Target funding will increase, although the extent will be determined depending on the bill's passage through Congress.

E. Bourassa noted that these policies can be suspended should the MPO find that they need to program additional projects in the TIP that have not reached 25 percent design.

E. Bourassa asked M. Genova what changes would be made to the TIP policy memorandum, based on the Committee's input. M. Genova stated that for the next meeting, he could replace the included questions with draft language based on the meeting's discussion. This language could address a blended implementation and clarification of the timeline for implementation. The focus for the next meeting would be to ensure that members are in consensus about the direction of the proposed TIP policies prior to presenting recommendations to the MPO board.

Committee members expressed appreciation for Matt Genova's efforts, and the efforts of additional MPO staff.

6. Members Items

There were none.

7. Next Meeting

The committee will meet on September 2, 2021, at 12:30 PM.

8. Adjourn

A motion to adjourn was made by L. Diggins and seconded by B. Kane. The motion carried.

Attendance

Members	Representatives and Alternates
Massachusetts Department of Transportation (Highway Division)	John Romano John Bechard
Metropolitan Area Planning Council	Eric Bourassa
Regional Transportation Advisory Council	Lenard Diggins
Inner Core Committee (City of Somerville)	Tom Bent
At Large City (City of Everett)	Jay Monty
MBTA Advisory Board	Brian Kane
SouthWest Advisory Planning Committee (Town of Medway)	Peter Pelletier

Other Attendees	Affiliation
Amira Patterson	MBTA Advisory Board
Benjamin Muller	MassDOT Office of Transportation Planning
Tina Cassidy	North Suburban Planning Council/City of Woburn
Aleida Leza	
Joy Glynn	MetroWest Regional Transit Authority
Jon Seward	MoveMass
Ken Miller	FHWA
Matthew Petersen	TransitMatters
Sarah Bradbury	MassDOT Highway District 3
Timothy Paris	MassDOT Highway District 4
Darlene Wynne	North Shore Task Force/City of Beverly
Michaela Boneva	
Steven Olanoff	
Sheila Page	Town of Lexington
Bonnie Friedman	
Cassie Ostrander	FHWA
Kristiana Lachiusa	
Joe Collins	Town of Norwood
Catherine Bowen	Town of Belmont (School Committee, Community Path Committee)
Chris Reilly	
Rich Benevento	WorldTech Engineering

MPO Staff/Central Transportation Planning Staff

Tegin Teich, Executive Director

Anne McGahan, Chief Planner

Ariel Patterson, Transportation Planner

Betsy Harvey, Transportation Equity Program Manager

Jonathan Church, Manager of MPO Activities

Matt Genova, TIP Manager

Michelle Scott, Chief Planner

Sandy Johnston, UPWP Manager

Kate White, Public Outreach Coordinator

Róisín Foley, Administrative and Communications Assistant

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