
Section 6.3 RIGHT OF WAY COST ESTIMATING

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Section 6.3

RIGHT OF WAY COST ESTIMATING

PURPOSE

To establish the requirement for a district written process for the cost estimating function and associated quality control processes; to recognize the role of the requestor, hereinafter referred to as the customer, and the roles and responsibilities of the estimator and to establish the requirement for multilateral coordination.

AUTHORITY

Section 20.23(3)(a), Florida Statutes
Section 334.048(3), Florida Statutes
Section 339.135, Florida Statutes

SCOPE

The principle users of the document are Central Office and District employees.

Note: Use of the term "District(s)" includes the Turnpike Enterprise, unless otherwise stated.

REFERENCES

Guidance Document No.2, Right of Way Cost Estimates
Work Program Instructions, Florida Department of Transportation
Right of Way Management System (RWMS)

TRAINING

None required

FORMS

None

6.3.1 General

6.3.1.1 This procedure applies to estimates for projects with programmed/funded right of way phases in, or immediately anticipated to be in, the five (5) year work program. The estimating process begins with a customer request and ends with documentation and delivery of an estimate. The District shall describe how this process will internally flow. Cross-functional coordination will be required in order to achieve an efficient process.

6.3.1.2 Each district office with primary responsibility for performing right of way estimates must prepare and implement a written process for coordination and preparation of right of way cost estimates. The process may be modeled after ***Guidance Document No. 2, Right of Way Cost Estimates***, located in the ***Right of Way Manual***.

6.3.1.3 Written processes must include, but are not limited to: a description of action(s) necessary to achieve coordination with the various customers as to how and when cost estimate requests will be made; a description of the performance and product delivery process; a description of action(s) for district quality control and monitoring; a description of action for data entry into the Right of Way Management System.

6.3.1.4 The District must employ practices which facilitate maximum effectiveness and efficiency with regard to the cost estimating process. Coordination and resulting decisions about internal practices shall be included in the written process and updated as process changes occur.

6.3.2 Program Responsibilities

6.3.2.1 The District must ensure that all amounts programmed for projects with right of way phases in the five (5) year work program are supported by and consistent with current right of way cost estimates, as defined in the Work Program Instructions.

6.3.2.2 In coordination with the District Office of Design, the District Right of Way Office will establish processes to ensure the Right of Way cost estimate for projects reaching Scope, 30%, 60% design completion thresholds (or similar thresholds per the established district design process) of development is updated. Completed data entry of phase totals into the Right of Way Management Systems (RWMS) constitutes an

update. If the current cost estimate is less than 6 months old and no major changes have occurred, the minimum required will be to copy forward or re-key RWMS phase totals from the previous estimate and select the appropriate design completion threshold from the dropdown menu. To the extent feasible and possible, right of way cost estimates and construction estimates should be developed simultaneously in order to allow electronic reporting of the anticipated total cost of a project.

Recognizing that time is of the essence in providing anticipated cost information to decision-makers, updates must be completed as soon as possible but not more than 60 days after the finish date of the design completion threshold.

6.3.2.3 The District must ensure that a cost estimate is prepared and entered into RWMS for each project reaching right of way certification.

6.3.3 Present Day Costs, Project Unknowns and RWMS Data Entry

6.3.3.1 The District must ensure cost estimates are entered into the Right of Way Management System (RWMS). Present day cost amounts entered in RWMS are to be **exclusive** of inflation/appreciation.

6.3.3.2 At the discretion of the District, the present day cost amount may include project unknown amounts (i.e. changes in right of way requirements, etc.). Such project unknowns shall be exclusive of inflation/appreciation due to market conditions over time.

6.3.3.3 As of January 8, 2007, the RWMS allows separate entry of inflation/appreciation rates. The RWMS will apply these rates to dollar amounts entered. When the user selects the print option, the system will print amounts for present day costs along with annual compounding for ten years. This printed document must be provided to the customer for further handling and consideration for the purpose of updating the Department's work program.

6.3.3.4 A default table consisting of project phase-level inflation rates is established within RWMS and is maintained by Central Office, Office of Right of Way. The districts have the flexibility and responsibility to make any necessary adjustment to any factor in any phase in any year, by project. The exception to this is the current fiscal year which should reflect zero inflation. Persons having the required security profile may modify inflation rates. All modifications will be tracked in history by the system. Inflated cost estimates can be viewed, printed and sent to the customer. This output page will reflect a snapshot of present day costs and outer-year inflated costs.

Note: It is important to remember that the default rates are, for the most part, based on a 10-year rolling average taken from county property appraiser records as reported to the Department of Revenue. However, inflation rates assigned to individual projects must be based on local conditions. Local rates may or may not be the same as the default rates. When a cost estimate is begun and entered into RWMS in one fiscal year then set to the complete status in the next fiscal year, at the time that the cost estimate is advanced to a complete status, the cost estimator should also set the inflation factor to 0% for the same fiscal year that the estimate was set to complete.

6.3.3.5 When cost estimates differ from one to the next, the cause(s) of such change and percentage(s) of impact must be identified in the RWMS via a dropdown menu.

6.3.4 Guidance Document

The district may use the examples presented for demonstration in ***Guidance Document No. 2, Right of Way Cost Estimates*** located in the ***Right of Way Manual***. The district is encouraged to develop any forms or worksheets for cost estimating that best meet the needs of the district.

HISTORY

4/15/99, 4/2/04, 6/21/07