

 Hollywood, FL

 June 13-14, 2024

# 2024 TRANSPORTATION SYMPOSIUM

## Independent Project Costs



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Florida Department of Transportation

# Objectives



**Strategic  
Changes**



**Independent  
Project Cost**



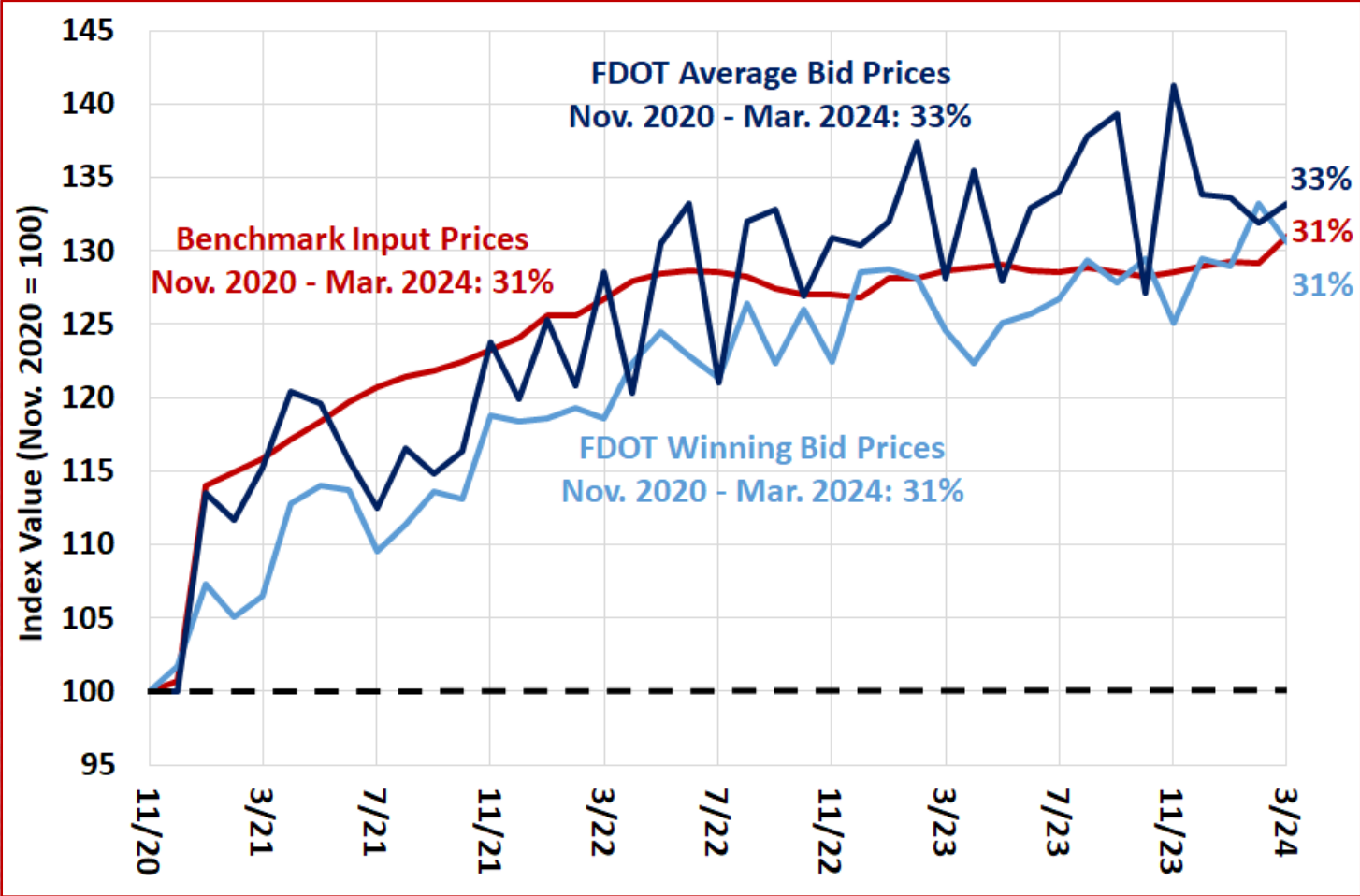
**FAQs**

# Strategic Changes

## Largest Work Program in FDOT History

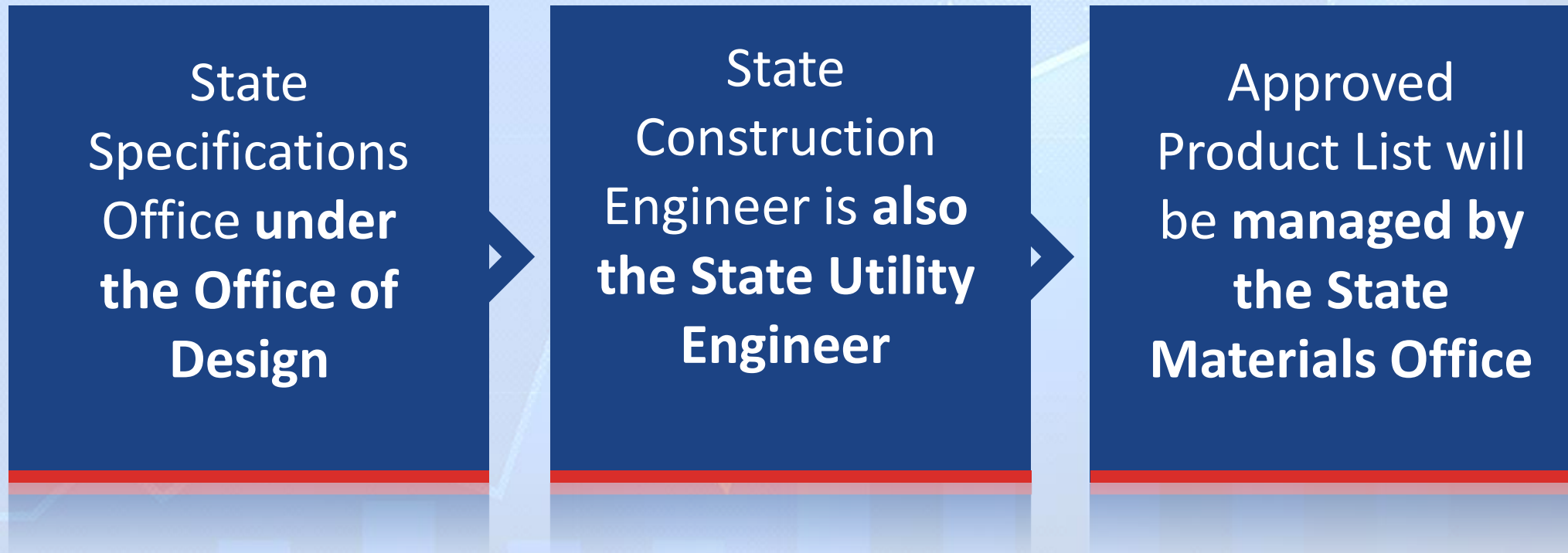
***\$14.7 Billion***

# Strategic Changes



# Strategic Changes

- Restructuring Statewide Programs:



# Strategic Changes

Create the **new**  
*Forecasting & Performance Office*

# Strategic Changes

1

Forecasting  
and Project  
Cost

2

Local  
Programs

3

Project  
Management  
and Contract  
Performance

# Strategic Changes

- Restructuring Statewide Programs:

**Project  
Management** will  
leave  
the Office of  
Design

**Contract  
Administration**  
will leave the  
Office of  
Construction

**Alternative  
Contracting**  
will leave the  
Office of  
Construction



# Strategic Changes

**MAJOR**

Projects over  
**\$150M**

**+**

**MEGA**

Projects over  
**\$500M**

**PROJECTS**

# Strategic Changes

**Estimate**



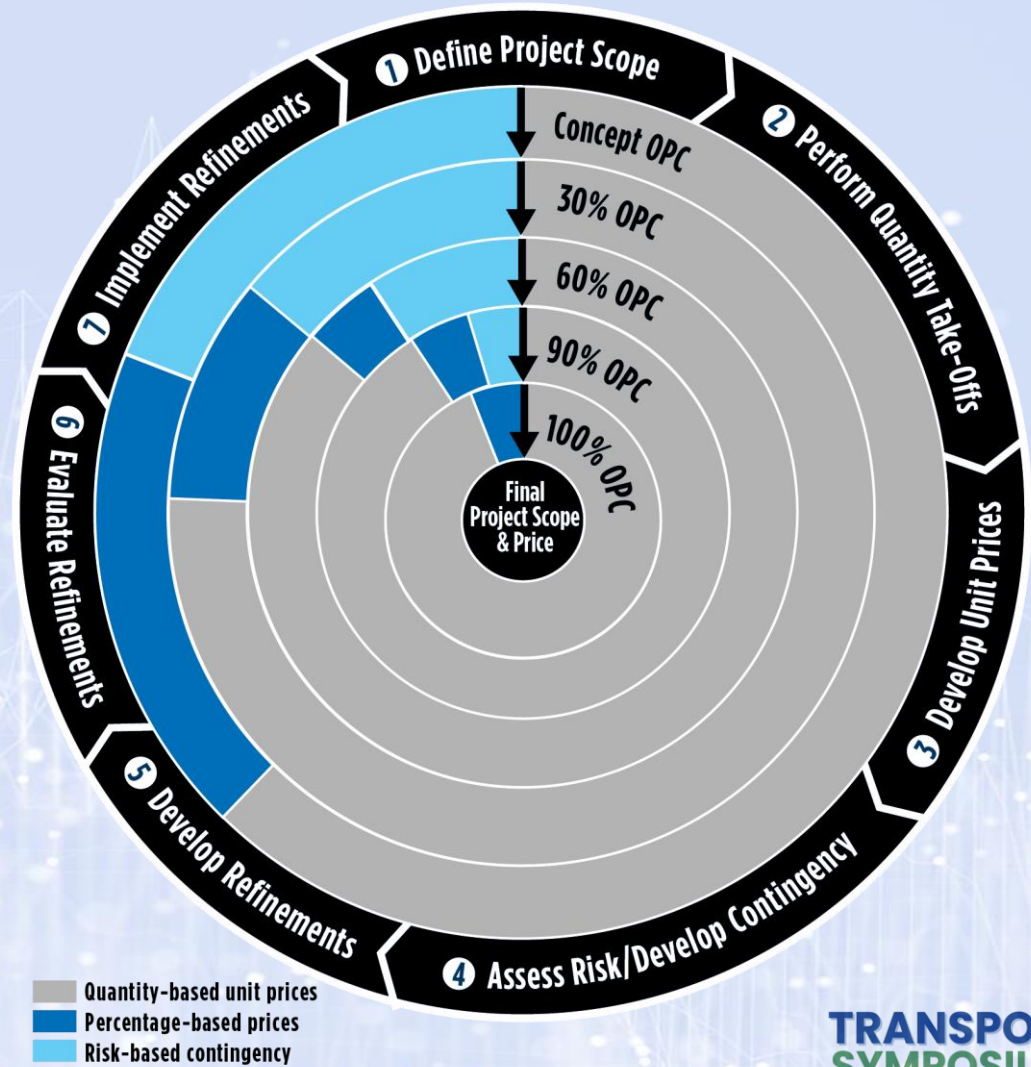
**Project Cost**

**Not just a Terminology Change...**

**...it's a philosophy change!**

# Independent Project Cost

## Independent Project Cost (IPC) Process



# Independent Project Cost



**COST**

**20% of project scope accounts for 80% of project cost**

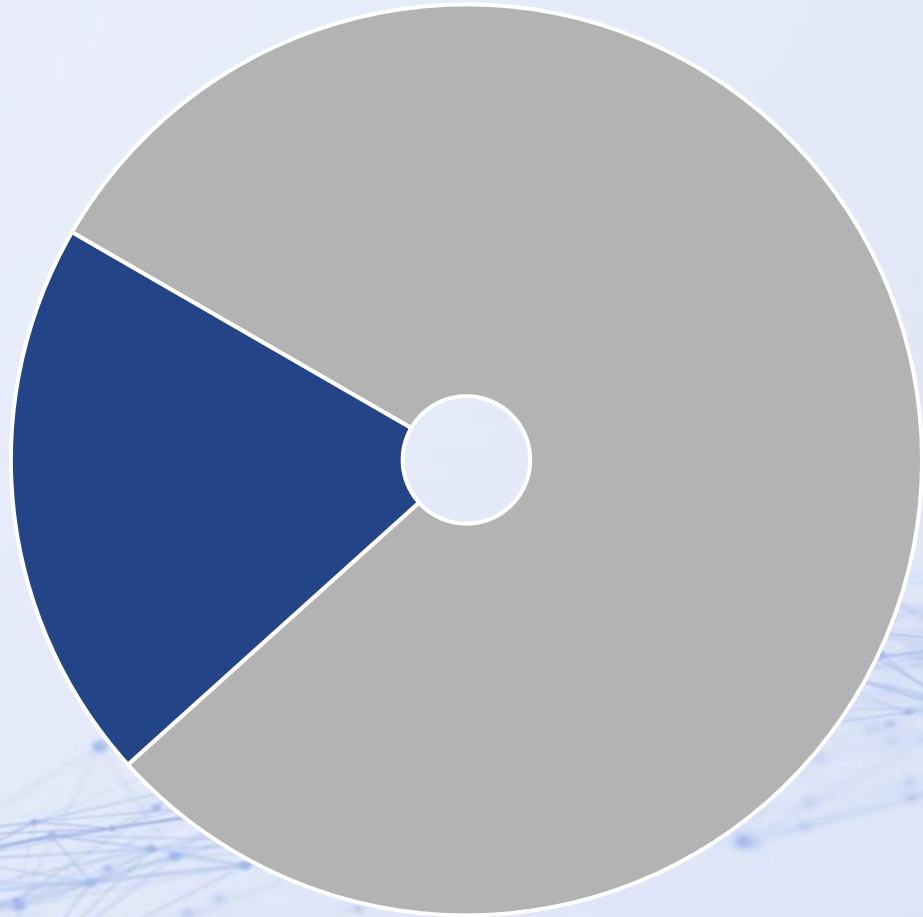


Grading  
Drainage



Pavement  
Structures

# Independent Project Cost



**80% of project scope**  
accounts for **20% of**  
**project cost**



Striping  
Signing



Erosion Control  
Lighting

**COST**

# Percentage Based Pricing

- Mobilization (MOB)
- Maintenance of Traffic (MOT)
- Design
- Contingency

# Independent Project Cost

## 3 Types of Risks:



Inflation



Project Risk



Market Conditions

# Independent Project Cost



**Collaboration  
with Design  
Teams**



**Accurate  
Quantities**



**Strategic  
Industry  
Outreach**



# Independent Project Cost

- **Once an IPC is complete:**
  - IPC totals are shared with District staff
  - CO and District leadership will use IPC to determine if a project will be advertised
  - Districts are required to fund the IPC amount

# Independent Project Cost

- **IPCs completed so far:**
  - D4 SW 10th
  - D6 Okeechobee Road
  - TP Widen Turnpike MP 94-98
  - D5 I-75 South
  - D5 I-75 North
  - D3 Dupont Bridge



**How can you help?**

# Apply Group Identifiers



## OFFICE OF WORK PROGRAM AND BUDGET

(OWPB)

### Important Notice, from the Office of Work Program Development

#### Summary

Creation of New Item Group Identifiers for the Independent Project Cost (IPC) Review Process

#### What is happening?

Four (4) new Item Group Identifiers have been created to assist with the Independent Project Cost (IPC) process project identification and tracking.

#### What do I need to do?

Identify projects in your district that match the criteria for the new Item Group Identifiers and then add the appropriate Identifier(s) to the project. Updates should occur as soon as projects are identified.

**LT** – Project is a “goes-with” project (Phase 52) and is part of a pair or group of projects that will be Let Together in one contract.

**MEGA** – Project has a construction project phase (Phase 52) estimated at \$150M to \$499M.

**MEG5** – Project has a construction project phase (Phase 52) estimated at \$500M and over.

**IPC** – Project has been identified by Central Office (CO) that requires an IPC review to be conducted (currently projects over \$150M).

Updates will be made to the Work Program Instructions as needed during the next update cycle.

# Program Funds for IPC

## OFFICE OF WORK PROGRAM AND BUDGET (OWPB)

<b>Summary</b>	<b>Process for \$150,000 Cost for Independent Project Cost (IPC) Reviews for Projects (or Proposals) Equal to or Greater than \$150 Million</b>
<b>What is happening?</b>	Engineering and Operations has implemented an independent review and analysis of projects (or proposals) with construction costs of \$150 million or more. If multiple projects are let together in a proposal and the total of the construction costs is more than \$150 million, all projects in the proposal are included in the IPC. This independent project cost has an estimated \$150,000 cost (per occurrence) associated with each project (or proposal) affected. The cost may vary depending on the complexity of the review and the number of times a project is undergoing a review. This communication is intended to provide guidance on programming the \$150,000 cost for the IPC review.
<b>What do I need to do?</b>	Once a project (or proposal) has been identified for IPC, the following steps should be considered: <ul style="list-style-type: none"><li>✓ Program additional cost using the item number associated with the project the IPC is being performed on. If an IPC affects more than one project, program additional cost on one of the item numbers.</li><li>✓ Use Phase 32 associated with the cost.</li><li>✓ Use a Sequence Number deemed appropriate by the district.</li><li>✓ Record in the <i>Item Segment Comments</i> screen that the phase and sequence that are for the Independent Project Cost review.</li><li>✓ Use district managed state funds.</li><li>✓ Provide financial project number to Ashley Anderson, Forecasting and Project Cost Engineer, Central Office, Forecasting and Performance Office.</li><li>✓ Multiple IPC reviews may be required as part of the project development process and should be programmed at \$150,000 for each occurrence.</li><li>✓ Adjust estimates to show actual expenses once the final IPC review cost is known.</li></ul>

# Provide Project Reference Documents

List of reference documents to be provided for IPC reviews *(not all inclusive)*:

Concept Plans	RFP
Phased/Final Plans	Specifications (may be with RFP)
Typical Section Package	Nearby project info (past/future)
Pavement Design	Geotechnical Reports - soil borings
Construction Schedule/sequence	Bridge Development Report
Contract Duration Estimate (time)	CSRA
MOT Schemes (if not complete design)	Studies: Noise Wall, Lighting, Drainage, Signals, etc.
Procurement Schedule	CADD files
ROW	KMZ files
Permit Info	Utility/SUE
Quantities (minimum required as design-build)	



# FAQs

When was the  
Independent  
Project Cost  
process  
implemented?

January 1, 2024



What requires  
an IPC Review?

All projects or  
proposals over  
\$150 Million  
(regardless of  
delivery method)

How many IPC reviews will be performed per proposal/project?

For now, 1 right before advertisement  
Eventually, 1 at every phase of development

How much does  
each IPC review  
cost?

~\$150,000

Who pays for  
the IPC  
Reviews?

District

Will IPC reviews  
replace the  
District process  
for establishing  
project cost?

No

Why are we starting the IPC review process?

Better Project  
Cost on  
Large, Complex  
Projects

# Wrap-up



# Safety Message



**STOP SPEEDING**

**BEFORE IT STOPS YOU**

**SLOW DOWN - ARRIVE ALIVE**





# Contact Me



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