

TECHNICAL MEMORANDUM

October 29, 2024

Project# 29295.001

From: Camilla Dartnell, PE; Sophia Semensky

RE: Federal Cost Estimate Guidance

2028-30 RFFA Step 2 Application Assistance

Introduction

This document was created to provide general cost estimation guidance for projects requesting FHWA funding through the Metro Regional Flexible Funds Allocation Step 2 process. Most of this information is also available and provided to Step II RFFA applicants agencies within the Federal Aid Overview Presentation, provided in mid-October and posted on the RFFA Step 2 webpage.

This is general guidance and should be applied thoughtfully, as actual costs may be different across projects with different elements. While this document attempts to account for changing costs over time, future process and fee changes may not be fully captured. Local agencies are responsible for covering cost overruns if they occur.

Cost Estimate Documentation

The following sections outline the federal-aid specific components that should be included in the cost estimate. Please refer to this guide to ensure your project is accounting for the elements relevant to your project. Items may need to be adjusted depending on the specifics of your project.

ODOT Project Delivery Fee

This represents the cost of ODOT delivering a project for a non-certified local public agency (LPA) or for a certified LPA. The cost is a per-year fee that varies on project complexity and other factors. For ODOT-delivered projects for non-certified LPAs, we're recommending a budget of:

- **\$50,000** a year for a smaller, less complex projects
- **\$75,000** a year for
 - More complex projects
 - Any project on or intersecting an ODOT facility
 - Any project with a ROW phase

For certified LPAs, ODOT will still review and submit documents to FHWA, and \$40,000 to \$50,000 a year should be budgeted for most projects. If the project is on an ODOT facility or has a large degree of complexity, \$50,000 to \$75,000 a year should be budgeted.

This information is based on current and previous ODOT Local Agency Liaisons (LAL) delivered projects but may change over time.

Planning

Four deliverables will be required in the planning ('program development') phase of the project. Projects should budget **5% to 10%** of the engineering total for planning if a project will include it, depending on the project complexity. A minimum of \$15,000 should be budgeted. Planning activities include:

- Technical Scoping Sheet
- Scoping Package
- Environmental Prospectus
- FHWA Agreements

Design Engineering

Projects should budget **15%** of the engineering total for projects just going up the Design Acceptance Package (30-60% design detail, basis of NEPA) and **20-25%** for projects going through PS&E. The minimum fee should be \$100,000.

Construction Engineering & Management

The construction engineering and management should be **15%**. Additional budget should be considered for daily on-site construction inspection/management.

Environmental

Most Step 2 RFFA projects should expect to go through a Categorical Exclusion or Programmatic Categorical Exclusion for the NAP process. Agencies should budget about **\$15,000** for a PCE and **\$25,000 - \$30,000** for a CE. Projects that may have larger impacts will need to budget for an environmental assessment or environmental impact statement. These will require significantly larger budgets and longer schedules than typical CE and PCE projects.

Right of Way Costs

Projects should assume 18 months for right-of-way coordination. For these costs consider:

- About \$18,000 per parcel for ROW file coordination
- The cost of the ROW (See Right-of-Way Costs section)
 - Adjust some costs to be more expensive for more urbanized or locations or anticipated high-value parcels.

Railroad Coordination

Approximately **\$50,000** should be budgeted for projects with railroad impacts (within 500 feet of a railroad). If a project is within 500 feet but is not anticipated to require significant railroad coordination (just a rail crossing order), \$25,000 may be budgeted. Potential activities include:

- Rail crossing order
- Railroad engineering approval
- Easement acquisition
- Railroad flagger

Contingencies and Escalation

Agencies should budget:

- Contingency:
 - 20-40% for projects that are still in the planning phase
 - 20-30% for projects with complete concept development
 - 5-10% for projects currently under design and moving towards construction
- Escalation
 - The 2024 cost estimate should be escalated based on ODOT predicted escalation rates.
 - The recommendation is to assume a 2029 or 2030 year for all project development phases as a conservative approach.
 - For projects assuming a start in 2030, use an escalation rate of **1.2067**.

Year	2017 Baseline	2024 Baseline
2017	1	
2018	1.0487	
2019	1.0708	
2020	1.0777	
2021	1.1849	
2022	1.3044	
2023	1.3491	
2024	1.3635	1
2025	1.3978	1.0252
2026	1.4471	1.0613
2027	1.494	1.0957
2028	1.5442	1.1325
2029	1.5935	1.1687
2030	1.6454	1.2067
2031	1.7012	1.2477
2032	1.7609	1.2915

Administration

Agencies should consider budgeting for Metro and Agency administration:

- Metro Administration: 2%
- Agency Administration: dependent on the agency; sometimes used as project match.