

PRECONSTRUCTION DESIGN MEMORANDUM

MEMO: PCDM-26

SUBJECT: Project Cost Estimating Guidance

This memorandum establishes guidelines for managing scope and cost for corridor and widening projects, significant bridge projects (\$50M and above), and other identified projects with political or stakeholder sensitivity, including, but not limited to SCDOT managed projects that involve multiple funding sources such as county sales tax funding or State Infrastructure Bank funding.

Project estimates are currently developed at the preliminary engineering stage, right-of-way stage, and prior to construction letting. These types of projects tend to have higher levels of risk associated with numerous right-of-way tracts, utility conflicts, and environmental impacts that can require multiple years to finalize for construction obligation. As a result, significant time may pass between the milestone estimates, and in some cases can lead to significant cost increases due to inflation and quantity revisions based on design changes during stakeholder negotiations.

To enhance project transparency, Preconstruction should institute the following measures:

- Develop updated cost estimates annually at a minimum (by the end of January each calendar year) and at any time there is a significant change in scope. The estimates should include costs for Planning, Engineering, Right-of-Way, Construction, Utilities, CE&I and contingencies.
- PM is to update P2S based on these new estimates and schedules.
- In conjunction with updating cost estimates, Program Managers shall maintain a summary of changes and additions that may have impacted updated cost estimates.
- Subsequent to the completion of new estimates each year, the Director of Preconstruction shall provide the Chief Engineer for Project Delivery with a summary of all cost estimate updates by February 15 of each calendar year.
- Brief Executive Leadership when requested.

John D. Boylston

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Effective Date