



# WSDOT Scoping and Cost Estimating for Highway Construction Projects

## *Proposed Final Report*

Joint Legislative Audit & Review Committee  
January 5, 2010

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### Key Question for JLARC Analysis of WSDOT Highway Construction?



- ❖ Do the Washington State Department of Transportation's (WSDOT) ***scoping and cost estimating policies and procedures align with industry guidelines?***

**YES**

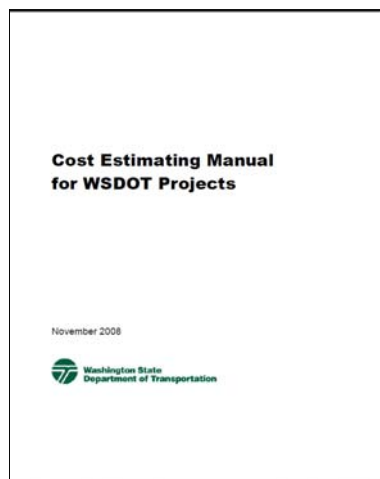
## JLARC Developed 5 Key Questions From Literature to Test Alignment



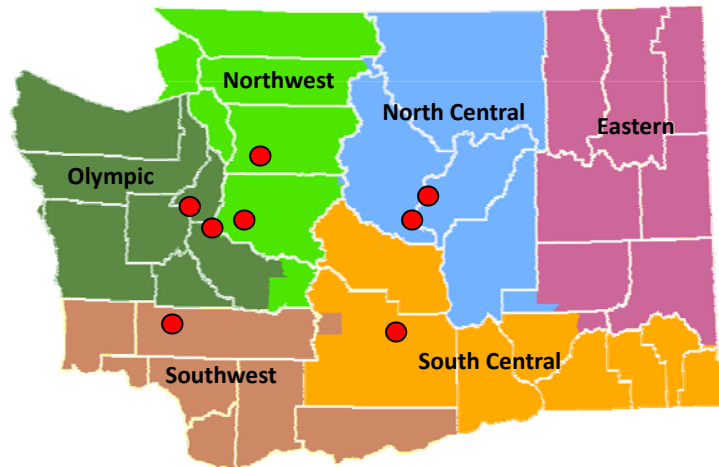
Does WSDOT have systematic, documented policies and procedures for:

1. Managing scope and scope change? **YES**
2. Managing the cost estimation process and changes to the cost estimate? **YES**
3. Keeping stakeholders informed? **YES**
4. Reviewing, quantifying, and mitigating risks? **YES**
5. Providing “checks and balances” to review and protect the cost estimate? **YES**

## Also: In the Field, Do They Actually Follow These Policies and Procedures?



## Looked at 8 Projects in the Field



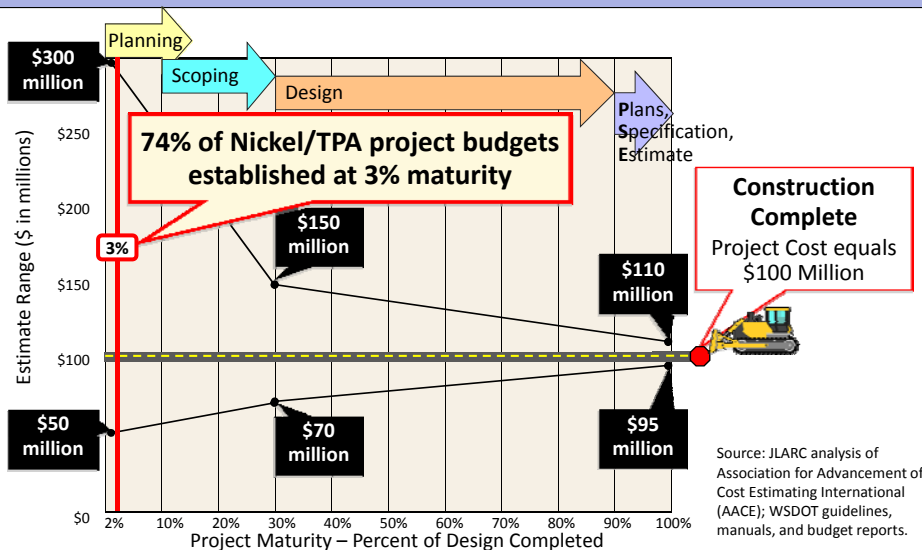
✓ Practices followed in these 8 case studies

## 2003/2005 Fuel Tax Increases (Nickel/TPA) Funded Many New Highway Projects



- Since 2003 and 2005, many new policies and procedures put in place
- ***WSDOT is now able to more accurately estimate costs than in 2003 and 2005***
- Three issues to consider to make estimates more accurate:
  - 1. Time**
  - 2. Resources**
  - 3. Communication**

## Literature: As More is Known, Estimates Should Become More Accurate



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## Time, Resources, and Communication and an Easy-to-Follow Budget Trail



- WSDOT aligns with industry guidelines
- Literature: importance of time, resources, and communication
- JLARC found it hard to track estimate to what goes into budget request
- Recommendation:
  - Include in project record easy-to-follow trail between cost estimate number and budget request number***
  - WSDOT and OFM concur***

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