

# Budget Narrative

The budget for the Central Bridge Bundle in Lauderdale, Madison, and Newton Counties Mississippi Bridge Investment Program Bridge Project application is structured to ensure the efficient allocation of funds towards the successful completion of the project. The total project cost, estimated at **\$84,390,650**, encompasses both previously incurred project costs and future eligible project costs.

1. **Previously Incurred Project Costs:** A portion of the total project cost, amounting to \$7,492,399, represents expenses that have already been incurred to include right-of-way acquisition, utilities relocation, engineering and design. These costs have been carefully accounted for and integrated into the overall budget.
2. **Future Eligible Project Costs:** This section represents the total cost of the construction phase, totaling \$84,390,650. This includes the BIP funding request amount of 80% and non-federal funding contributions.
  - **BIP Funding Request Amount: \$67,512,520** This amount represents 80% of the total eligible project costs and reflects the substantial investment required to address critical infrastructure needs in Central Mississippi.
  - **Estimated Other Federal Funding:** No other Federal funding is budgeted for the Project.
  - **Estimated Total of Non-Federal Funding:** MDOT has programmed 20% of total project costs in the amount of \$16,878,130 as non-federal funding for the project.
  - **Cost Estimate Basis:** The project budget was developed by the project engineers at MDOT in February of 2024 based on final design quantities and the agency's most recent unit costs based on state project bids.
3. **Construction Engineering and Inspection:** CE&I costs include various activities essential for monitoring construction progress, ensuring quality control through construction practices, and mitigating potential risks. The estimated cost of construction includes 20% for construction engineering and inspection and contingencies.
  - **Contingency:** MDOT build in a 10% contingency in the amount of \$8,439,065. Should the remaining construction cost exceed this estimate, MDOT will cover the difference with program funding.

## Bridge Bundling Benefits

Project bundling enables project sponsors to address large numbers of projects with similar needs using standard and cost-effective rehabilitation and replacement strategies. The resulting economies of scale increase efficiency and creates the potential for cost and



## **Central Bridge Bundle in Lauderdale, Madison, and Newton Counties, MS**

---

time savings. MDOT is taking a similar approach as the proven success by the Nebraska DOT, which utilized bridge bundling to generate cost efficiencies and project delivery time savings to promote innovative repair and replacement of county bridges. Additionally, bundling many small projects into one large bundle attracts highly qualified contractors with a larger workforce, saving on overall labor and equipment.

If MDOT were to let each bridge replacement into separate construction projects, the total unbundled cost totals \$97,049,246.