



FACT SHEET: Updated Risk Assessment Process for Capital Investment Grants Projects

Overview

The Federal Transit Administration (FTA) is implementing changes within its statutory authority to its risk assessment process to better evaluate the projected cost, scope, and schedule of projects in the Capital Investment Grants (CIG) program.

Risk Assessment Updates

After analyzing previously-funded major capital projects, FTA is introducing two changes:

- **Earlier Risk Assessments**
 - FTA is now requiring project sponsors to undertake a thorough risk assessment earlier in the CIG process, prior to advancing projects into the Engineering phase of the CIG program. This will help sponsors calculate risk earlier in the design and engineering process, which will mean greater opportunity to mitigate the risks identified.
- **More Accurate Cost Projections**
 - FTA is now requiring projects to meet a higher cost probability threshold. By adjusting the risk threshold from 50 percent to 65 percent, projects will move forward with a more realistic budget – with the intent to reduce cost overruns.

Background

By law (49 U.S.C. 5309), FTA is required to evaluate and rate projects seeking funding through the CIG program. FTA has incorporated various empirical, data-based methods to refine the risk assessment process throughout the CIG program's history, which have improved project delivery by keeping more projects on time and within budget.

For More Information

www.transit.dot.gov/CIG