

Virginia Department of Transportation  
Transform 66 P3 Project

Appendix

Financial Plan Annual Update

(As of December 31, 2019)

## Executive Summary

This document presents the Financial Plan Annual Update (FPAU) for the Transform 66 P3 Project Outside the Beltway (the Project), prepared in accordance with the Federal Highway Administration's (the FHWA's) Major Project Financial Plan Guidance dated December 18, 2014 and in accordance with 23 USC §106(h).

As of December 31, 2019, the Project design phase is approximately 85% complete and construction is well underway throughout the corridor. Major design work items that remain to be completed include the finalization of about 20 bridges (Stage 2 packages), about 40 retaining wall designs including several noise walls, the Tolling and Traffic Management System design, and several of the final drainage, paving, and signage elements of the roadway designs. I-66 Express Mobility Partners LLC (the Developer) has obtained the necessary permits for the project. The National Environmental Policy Act of 1969 (NEPA) Reevaluation and the IJR reevaluation were approved by FHWA on June 20, 2019. The Reevaluation covered most of the ATCs developed by FAM. Significant construction progress is planned for the 2020 construction season. The Virginia Department of Transportation (the Department) and the Developer have partnered to resolve major open issues affecting the completion of the Project.

## Project Background

The Project is a P3 project and the Developer was selected as the best value proposer on November 3, 2016. The FHWA concurred in the award of the Comprehensive Agreement on December 8, 2016 for improvements on the approximately 22-mile corridor of I-66 between U.S. Route 29 near Gainesville in Prince William County and the I-495 Capital Beltway in Fairfax County. The Project achieved Financial Close on November 9, 2017 and Project Completion is expected by December 31, 2022.

The FPAU provides a review of the sources and uses of the Project funds to date, as well as a listing of estimated costs by major categories. The Department anticipates the total costs for the Project through Project Completion to amount to \$3,863 million. Of the \$3,863 million, the Developer will contribute \$3,689 million during the design and construction phase through financing and the Department will contribute \$174.5 million (see Table 3.1) for the Project development and procurement, contract administration, and oversight during design and construction. Of the \$174.5 million contribution by the Department, the \$100 million incurred for contract administration and oversight is funded through the Concession Fee payment, the remaining \$74.5 million is federal match. The following is a breakdown of the costs between the Developer and the Department in the Initial Financial Plan.

<b>Total Project Cost</b>	
<b>Responsible Party</b>	<b>Estimate</b>
Developer	\$3,689,323,225
VDOT	\$173,822,770
<b>Total</b>	<b>\$3,863,145,995</b>

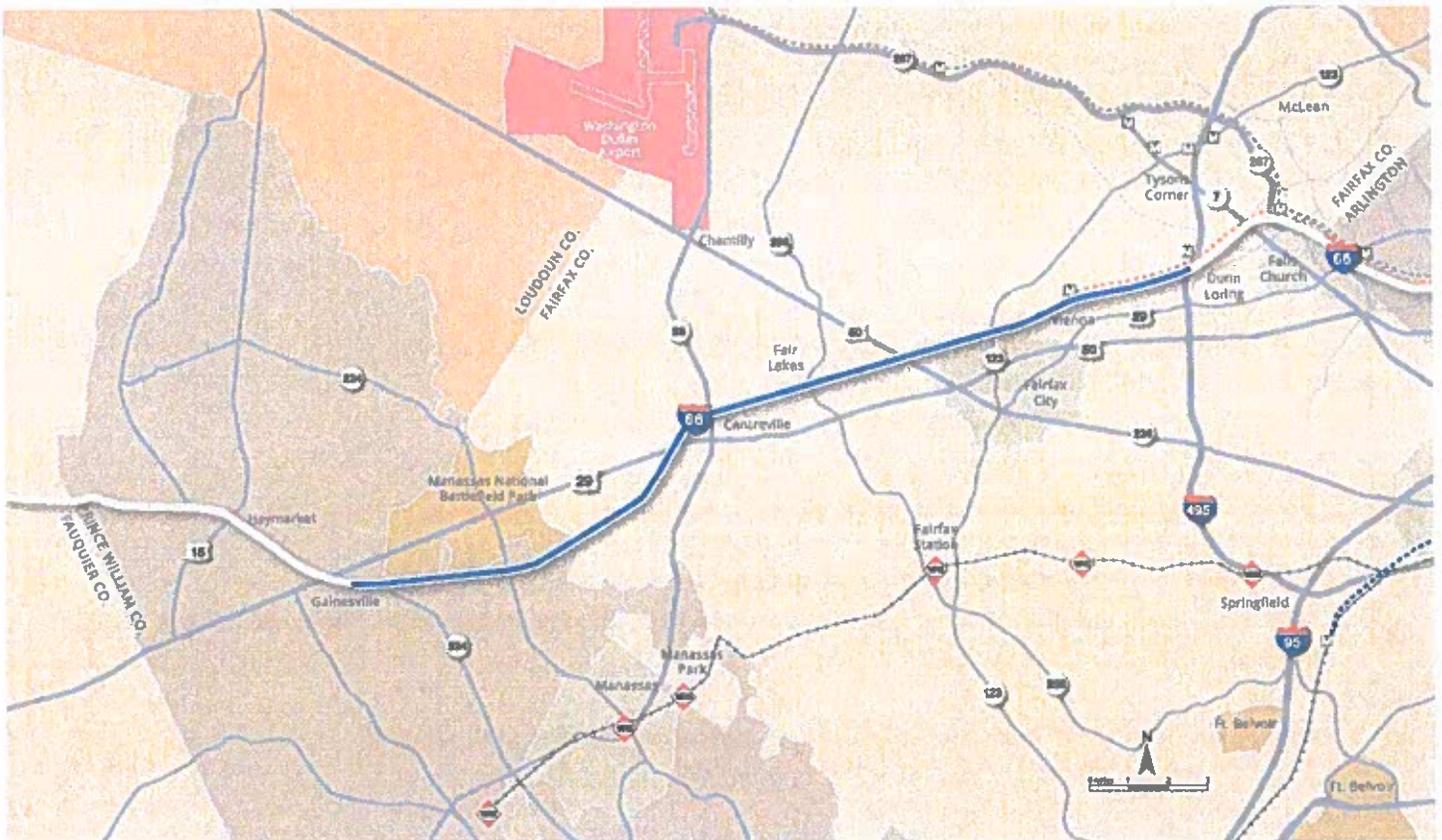
The FPAU also provides the current key potential Department risks to the Project with potential change orders.

Subsequent updates to the FPAU will document project progress and changes to project funding.

## 1. Project Description

The NEPA Project is located in Northern Virginia on the 25-mile section of I-66 which extends from US 15 in Prince William County east to I-495 Capital Beltway in Fairfax County. This section of I-66 opened to traffic in stages between 1958 and 1964 and has expanded a number of times over its years of service. The highway currently has eight lanes between I-495 Capital Beltway and US Route 15 near the Town of Haymarket, with a single lane restricted to HOV-2 use during the peak hours in the peak direction. The NEPA Project's environmental analysis, completed pursuant to NEPA, indicates that the west end terminus is just west of U.S. 15 Haymarket and its east end terminus is just east of the I-66/I-495 interchange. Based on multiple studies conducted during the NEPA Project development phase, it was determined that developing the NEPA Project in two phases provides the most value. Therefore, the Department requested FHWA for an Operational Independent and Non-Concurrent Construction (OINCC) determination, which was approved by FHWA on April 18, 2017. As a result, the FPAU presents the cost and financial resources related to Phase-1 only to improve the approximately 22-mile corridor on I-66 between U.S. Route 29 in Gainesville and I-495. FHWA published a FONSI in June 2016. For more detail, see EMP Financial Plan Update.

**Figure 1.1 - Project Map**



## **2. Project Update**

As of December 31, 2019, the Design-Build Contractor has commenced work across the entire corridor. The Design-Build Contractor elected to divide the Project into three segments. Segment 1 is from the western project terminus to a point approximately halfway between the US 29 and VA 28 interchanges in Centreville. Segment 2 is from this location to a point approximately just east of the Waples Mill Road overpass bridge. Segment 3 is from this location to the eastern terminus of the Project. Maintenance of Traffic patterns are being altered as necessary throughout the project corridor to accommodate construction needs.

As part of the Project, fourteen (14) change orders have been processed since the initial financial plan. These change orders are provided in more detail in Section 8.

Specifically, the work to date in the field is summarized below:

### **Segment 1**

1. The University Boulevard Park & Ride lot site work is approximately 90% complete. The interim milestone of opening 960 parking spaces was achieved in October 2019.
2. Balls Ford Park & Ride lot site work is approximately 60% complete.
3. MOT Stage 1 lane shifts have been completed in approximately 90% of Segment 1.
4. Utility relocations and ROW acquisition are ongoing throughout Segment 1.
5. Twelve (12) bridges are under construction.
6. Twelve (12) Retaining Walls are under construction.
7. Other work being performed includes grading and drainage, paving operations, erosion and sediment control and ITS installation.

### **Segment 2**

1. MOT Stage 1 lane shifts have been completed in approximately 80% of Segment 2.
2. EC Lawrence Park access road is open to traffic.
3. Utility relocations and ROW acquisition are ongoing throughout Segment 2.
4. Eleven (11) bridges are under construction.
5. Ten (10) retaining walls are under construction.
6. One (1) shared use path box structure.
7. Four (4) box culverts are under construction or complete.
8. Other work being performed includes grading and drainage, paving operations, erosion and sediment control and ITS installation.

### **Segment 3**

1. MOT Stage 1 lane shifts have been completed in approximately 90% of Segment 3.
2. Utility relocations and ROW acquisition are ongoing throughout Segment 3.
3. Ten (10) bridges are under construction.
4. Eighteen (18) retaining walls are under construction.
5. Five (5) sound walls are under construction (one completed).
6. Seven (7) shared use path box structures are under construction or complete.
7. Thirty (30) box culverts are under construction or complete.
8. Other work being performed includes grading and drainage, paving operations, erosion and sediment control and ITS installation.

## Other Major Work Elements

1. **Final Design of the Project is about 85% complete** in terms of Final Approved for Construction packages.
2. The Permit from DEQ was received on August 7, 2019.
3. The Permit from the Corp of Engineers was received on March 4, 2019.
4. The few remaining final noise analysis reports are expected to be completed in early 2020.
5. The NEPA Reevaluation was approved on June 20, 2019. An addendum to the Reevaluation for the Nutley Street Interchange is expected in early 2020.
6. The revised IJR is expected to be completed in early 2020 followed by an addendum for the Nutley Street Interchange also expected to be completed in early 2020.
7. The Project-wide Corps of Engineers (COE) 404 permit reevaluation package was sent to COE in December 2019; anticipated approval in April 2020.

## Project Schedule Status

As of December 31, 2019, the Design-Build Contractor is reporting an on-time completion of the Project of December 30, 2022. It is noted that there is a change order pending final approvals and execution that will conditionally restructure the Project Completion milestone. This change order has been agreed to in principle and awaits final execution in early 2020. This new change order incentivizes the Developer to achieve Service Commencement before December 1, 2022, and in return the Project Completion milestone is conditionally extended to August 1, 2023 without the application of any Liquidated Damages. If the Developer does not achieve Project Completion by August 1, 2023, then Liquidated Damages will be assessed until the milestone is achieved. The Long Stop Date remains unchanged contractually. It is contractually established as 365 days after Project Completion.

### 3. Project Cost Estimate

The Department portion of the Initial Financial Plan estimate was \$173,822,770. During the construction period and through the project closeout, the Department anticipates incurring a total cost of \$174,495,086 as shown in Table 3.1 for an increase of \$672,316. The increase was due to the Department's under-estimated TIFIA loan closing costs, attorneys' fees, and executed change orders to date. There are no changes to Table 3.1 from last year. The Developer's scheduled completion of the major Design activities was scheduled for December 2018. However, the Developer has been unable to complete the Design activities as of December 31, 2019. The Developer has chosen to parse the Design into many smaller packages, which has resulted in multiple additional Design packages the Department has had to review. As a result, the Department projects the Design process to continue into 2020, with Design changes even extending into 2022. The Department anticipates its oversight budget increasing as a result of this extended Design period and will be reported in the next annual update.

**Table 3.1 - Estimated Department's Project Costs by Cost Element (YOES)**

UPC	Description	Phase	Current Estimates
54911	RTE 66 – Preliminary Engineering	PE	\$8,622,770
105239	I-66 PPTA – Study	PE	\$12,295,664
105500	I-66 Tier II	PE	\$53,576,652
110496	Transform I-66 Oversight Project	PE	\$15,000,000
		CN	\$85,000,000
<b>Total</b>			<b>\$174,495,086</b>

## Expenditures to Date and Cost to Complete

Of the \$174,495,086, the Department had incurred approximately \$137,512,865 million of capital costs as of December 31, 2019 for development and procurement, including Tier 1 and Tier 2 NEPA, preliminary engineering, and project development and studies. The Department incurred \$49,574,830 million of capital costs for construction activities and anticipates expending approximately \$36,982,222 through the Project Completion and project close-out for financial close and early work activities as well as contract administration, oversight and additional construction as shown in Table 3.1 is funded through the Concession Fee.

See Table 3.2 for the Department's capital expenditures to date and anticipated capital costs to complete the Project.

<b>Table 3.2 - Department's Capital Expenditures</b>							
UPC	Description	Phase	Initial Financial Plan	2018 Annual Update	Current Estimate	Current Expenditures as of December 31, 2019	Balance to Complete
54911	RTE 66 – Preliminary Engineering	PE	\$8,622,770	\$8,622,770	\$8,622,770	\$8,622,770	\$0
105239	I-66 PPTA – Study	PE	\$11,500,000	\$12,295,664	\$12,295,664	\$12,295,664	\$0
105500	I-66 Tier II	PE	\$53,700,000	\$53,576,652	\$53,576,652	\$53,576,652	\$0
110496	Transform I-66 Oversight Project	PE	\$15,000,000	\$15,000,000	\$15,000,000	\$13,442,948	\$1,557,052
		CN	\$85,000,000	\$85,000,000	\$85,000,000	\$49,574,830	\$35,425,170
<b>Total</b>			<b>\$173,822,770</b>	<b>\$174,495,086</b>	<b>\$174,495,086</b>	<b>\$137,512,864</b>	<b>\$36,982,222</b>

As part of the Project, the Developer provided a Concession Fee payment of approximately \$579 million. A portion of the Concession Fee is being used for additional transportation improvements in the 66 Outside the Beltway corridor through projects recommended by Northern Virginia Transportation Authority (NVTA) and approved by the Commonwealth Transportation Board. Fairfax County recommended 4 projects (Table 3.3) that are being constructed as part of the I-66 project because they are integral to the ongoing 66 Design and Construction.

**Table 3.3 - Concession Fee Projects**

UPC	Description	Phase	Initial Budget Request	2018 Annual Update	Current Estimate	Current Expenditures as of December 31, 2019	Balance to Complete
112780	Monument Drive Pedestrian Facility	CN	\$3,800,000	\$3,800,000	\$3,800,000	\$ 0	\$3,800,000
112781	Jermantown Road Bridge Widening –	CN	\$11,000,000	\$11,000,000	\$9,500,000	\$940,000	\$8,560,000
112779	Poplar Tree Road Bridge Widening –	CN	\$6,000,000	\$6,000,000	\$2,600,000	\$1,430,000	\$1,170,000
112778*	I-66 Mainline Widening at Rte. 29	CN	\$40,000,000	\$40,000,000	\$57,500,000	\$4,000,000	\$53,500,000
<b>Total</b>			<b>\$60,800,000</b>	<b>\$60,800,000</b>	<b>\$73,400,000</b>	<b>\$6,370,000</b>	<b>67,030,000</b>

\* The original budget request for this UPC reflected the extent of the scope of work known at that time. As the scope of work became more defined, the budget request was increased from \$40 million to \$57.5 million to reflect the required scope. Additional funding for UPC 112778 was provided by Fairfax County.

As part of the Fairfax County Comprehensive Plan, it was decided that a Shared Use Path (SUP) would be constructed along Braddock/Walney and Compton Roads with tie-in connections to the future or proposed SUP at those locations. To avoid coordination conflicts between the I-66 OTB and the County Plan, certain portions of the SUP identified below (Table 3.4), will be designed and constructed as part of the 66 Project.

**Table 3.4 - Shared Use Path**

UPC	Description	Phase	Initial Estimate	Current Expenditures as of December 31, 2019	Balance to Complete
115936	Compton Rd Shared Use Path I-66 OTB	PE	\$109,000	\$605	\$108,395
	Underpass	CN	\$966,000	\$229,650	\$736,350
116083	Walney Rd and Braddock Rd Shared	PE	\$640,000	\$605	\$639,395
	Use Paths	CN	\$3,510,000	\$0	\$3,510,000
<b>Total</b>			<b>\$5,225,000</b>	<b>\$230,860</b>	<b>\$4,994,140</b>

\* Funding provided by Fairfax County

#### 4. Project Funding

The Project is funded through a combination of private capital (debt and equity) raised against future toll revenue and funds payable by the Department.

## Department Project Funding Sources

Table 4.1 reflects the summary of funding by source for the Project as of December 31, 2019.

<b>Table 4.1 - Summary of Project Funding by Source</b>							
<b>Funding Sources</b>	<b>Initial Financial Plan FY19</b>	<b>Current FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Total</b>
<b>Federal Funds</b>							
Federal Demonstration A/R	\$980,000						\$980,000
MAP 21 NHPP	\$15,867,610						\$15,867,610
MAP 21 NHPP – soft match	\$3,966,903						\$3,966,903
MAP 21 NHPP Exempt	\$11,516,397						\$11,516,397
MAP 21 NHPP Exempt – soft match	\$2,879,099						\$2,879,099
RSTP	\$7,338,122						\$7,338,122
Interstate NHS	\$15,213,488						\$15,213,488
Interstate (CNS301)	\$2,600,871						\$2,600,871
Subtotal	\$60,362,490						\$60,362,490
<b>State Funds</b>							
Interstate NHS State match	\$2,403,900						\$2,403,900
Interstate State match	\$352,312						\$352,312
CTB Formula – High Priority	\$1,956,752						\$1,956,752
CTB Formula – PPTA	\$500,000						\$500,000
RSTP match	\$1,834,530						\$1,834,530
Interstate (CNS301)	\$650,218						\$650,218
Subtotal	\$7,697,712						\$7,697,712
<b>Other Funds</b>							
Bond Proceeds - CPR	\$6,231,844						\$6,231,844
FRAN Bond Proceeds	\$203,040						\$203,040
Concession Fee and Future Interest Earnings to be Provided	\$144,492,510	\$18,012,329	\$12,174,466	\$530,341	\$844,013	\$29,551	\$176,083,210
Subtotal	\$150,927,394	\$18,012,329	\$12,174,466	\$530,341	\$844,013	\$29,551	\$182,518,094
<b>Total</b>	<b>\$218,987,596</b>	<b>\$18,012,329</b>	<b>\$12,174,466</b>	<b>\$530,341</b>	<b>\$844,013</b>	<b>\$29,551</b>	<b>\$250,578,296</b>

Table 4.2 lists the associated Federal Projects that make up the project contract.

Table 4.2 - Project Authorization Summary as of December 31, 2019					
Federal Project	UPC(s)	Phase Classification	Cost	Federal Funds	Advance Construction (A/C)
NH-066-1300	54911	PE	\$8,050,000	\$7,440,000	\$0
NH-066-1300	105239	PE	\$4,638,290	\$4,638,290	\$0
NH-066-1300	105500	PE	\$61,806,797	\$47,954,688	\$0
NHPP-066-1361	110496	PE	\$15,000,000*	\$0	\$12,000,000
<b>Total</b>			<b>\$89,495,087</b>	<b>\$60,032,978</b>	<b>\$12,000,000</b>

\* Although UPC 110496 is fully funded with concession funds, a federal agreement with advanced construction has been authorized. At this point no federal funds are on the project and therefore, the A/C should not be converted at this time

Project funding is demonstrated in the National Capital Region Transportation Planning Board's (TPB) Long Range Transportation Plan and Transportation Improvement Program (TIP), as well as the Commonwealth's Statewide Transportation Program (STIP).

Table 4.3 - Interest Earned on Concession Fee as of December 31, 2019						
Federal Project	Concession Fee and Future Interest Earnings	Current FY2020	2021 Projected	2022 Projected	2023 Projected	2024 Projected
N/A	\$144,492,510	\$18,012,329	\$12,174,466	\$530,341	\$844,013	\$29,551

## 5. Project Financing

Section 5 intentionally left blank. EMP should provide this information as part of EMP's Financial Plan Update.

## 6. Project Cash Flow

Table 6.1 reflects the sources of funds for the Project.

Table 6.1 - Department's Project Funding by Year (\$million)							
UPC No.	Prior to FY2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Department Funds	\$74.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$74.5
Concession Fee	\$100.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$100.0
<b>Total Cumulative Sources</b>	<b>\$174.5</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$174.5</b>

\*\$100.0 Funded from the Developer's Concession Fee

Table 6.2 reflects the Department expenditures per year for the components of the Project.

Table 6.2 - Department's Anticipated Expenditures by Year (\$million)								
UPC	Description	Prior to FY2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
54911	RTE66 – Preliminary Engineering	\$8.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.6
105239	I-66 PPTA – Study	\$12.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$12.3
105500	I-66 Tier II	\$53.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$53.6
110496 <sup>(1)</sup>	Transform I-66 Oversight Project	\$49.8	\$17.6	\$16.4	\$12.7	\$2.2	\$1.1	\$100
<b>Total Uses</b>		<b>\$124.3</b>	<b>\$17.6</b>	<b>\$16.4</b>	<b>\$12.7</b>	<b>\$2.4</b>	<b>\$1.1</b>	<b>\$174.5</b>

<sup>(1)</sup> In January 2018, the CTB adopted a revised budget in the amount of \$578,919,450 for the Concession Fee received for the I-66 Outside the Beltway Project. UPC 110496 initially received \$78.9M in FY18 of the initial Concession Fee as well as FY19 amount of \$18M from Concession Fee interest.

## 7. Public-Private Partnership Assessment

The Public Private Transportation Act of 1995 (PPTA) is the Commonwealth's enabling legislation for the development and operations of transportation projects utilizing the private sector. The following activities have occurred related to the Project being delivered as a P3 in accordance with the PPTA:

- **Finding of Public Interest (FOPI):** In August 2015, the Commissioner of Highways at the Department signed the FOPI pursuant to Section 33.2-1803.1 of the Virginia Code to begin a procurement of the I-66 Project under a P3 delivery method. Identified benefits from developing and operating the Project as P3 versus other procurement options include (Source: [http://www.virginiadot.org/news/resources/Statewide/Transform\\_66.pdf](http://www.virginiadot.org/news/resources/Statewide/Transform_66.pdf)):
  - Enable the Department to share and transfer major project risks
  - Combine design and construction in one agreement thereby creating incentive to utilize Alternative Technical Concepts (ATCs), which are not available under a VPPA Design-Build contract
  - The transfer of traffic and revenue risks and risks of toll collections and violations
  - The synergy of design, construction, financing, tolling, operations, and maintenance under one agreement
- **Two Stage RFQ Process:** Subsequent to the completion of the FOPI, the Department released the RFQ in two parts: 1) Statements of Qualifications and 2) Conceptual Financial Proposals. Along with the RFQ, the Department issued three term sheets, one for each delivery model, for the teams to follow when preparing their Conceptual Financial Proposals. The two-part RFQ enabled the Department to evaluate three different types of delivery models – DBFOM, DBOM, DB with Alternative Technical Concepts – in order to determine a procurement process that serves the public interest, encourages innovation, creates long-term value for the Commonwealth, achieves cost efficiencies, and facilitates timely delivery of the P3 project subject to applicable law.
- **Decision to Pursue DBFOM Delivery Model:** After completing the review of the RFQ submissions and the various alternative delivery models that were available for the Project, the Commissioner of Highways determined to advance the procurement of the Project under the DBFOM delivery method in December 2015. This decision was based on the analysis conducted during the two-part RFQ stage, which showed that the DBFOM delivery model was the most optimal project delivery model and likewise would produce the most public benefit to the Commonwealth.

- **Authorization to Issue 9(c) Bonds:** In January 2016, the General Assembly authorized the Treasury Board to issue bonds pursuant to Article X, Section 9(c) of the Constitution of Virginia in an amount up to \$1.5 billion (plus financing costs) for the Project. The authorization is contingent upon the Transportation PPTA Advisory Committee, prior to January 1, 2018, finding that the issuance is necessary due to the inability of private parties to meet the term sheet published by the Department at the time of the RFQ.
- **RFP Process:** The initial draft RFP was issued in December 2015, followed by an industry review period until July 2016 when the final RFP was issued, requesting proposals by October 2016. Two compliant proposals were received by the Department in October 2016, and the successful proposer was announced as I-66 Express Mobility Partners in November 2016.
- **Statutory Required Audit:** Shortly following the announcement of the successful proposer, the statutory PPTA Audit was conducted, which confirmed that the P3 delivery option was in the best interest of the public, hence agreeing with the December 2015 decision.
- **Final FOPI and Commercial Close:** In early December 2016, the PPTA Advisory Committee declared the P3 delivery model was in the best interests of the public and the Final FOPI was endorsed by the Commonwealth Transportation Board (Source: [http://www.ctb.virginia.gov/resources/2016/dec/reso/Resolution\\_17\\_66\\_FOPI.pdf](http://www.ctb.virginia.gov/resources/2016/dec/reso/Resolution_17_66_FOPI.pdf)). On December 8, 2016, the Project reached Commercial Close.

Risk allocation analysis was conducted in parallel with project development and procurement activities, and the Department in coordination with stakeholder groups conducted risk workshops in multiple stages to identify and allocate risks to the party that can best manage them. The first risk workshop was conducted on July 29, 2014, to develop strategies that can be used during project development and procurement phases to mitigate identified project risks as the Project moved forward. Participants from the Department, DRPT, FHWA, the Commonwealth's Office of Attorney General, and project consultants well-understood identified risks and mitigation strategies were already being initiated. The second risk workshop was conducted on May 5-6, 2015, prior to the issuance of draft RFQ to further develop mitigation efforts and evaluate potential risks associated with the Post-Financial Close period. Finally, in August 2015, stakeholders were convened at the Cost and Schedule Validation and Risk Assessment Workshop to develop a common understanding of the Cost Estimate Validation Process and to quantify identifies risks that potentially affect the cost and schedule of the Project.

Market conditions on relative access to and cost of capital were monitored throughout the procurement process through activities such as risk workshops, the issuance of Request for Information (RFI) in June 2013 and collection of responses from individuals, firms, teams or organizations, and one-on-one meetings with private sector teams in Summer 2015, and the dual path approach of developing and advancing the public finance option and evaluating the P3 option.

Table 7.1 details the steps that were taken by the Department, and other key project participants, to assess the appropriateness of a P3 to deliver the Project.

**Table 7.1 - P3 Assessment**

	Date
CTB Briefing and Contingent Action	July 2015
Transportation PPTA Advisory Committee	August 2015
Completion of Initial Finding Of Public Interest (FOPI)	August 2015
Issuance of P3 Request For Qualifications (RFQ)	September 2015
CTB Action on NEPA Preferred Alternative Decision	October 2015
Announcement of Shortlisted Teams	October 2015
Submittal of Conceptual Financial Proposals and Secondary Shortlisting	December 2015
Release of Draft RFP to the Two Shortlisted Bidders	December 2015
Release of Final RFP to the Two Shortlisted Bidders	July 2016
Announcement of Successful Proposer	November 2016
Completion of PPTA Statutory Audit, Final FOPI & CTB Allocation of Funds	December 2016
Commercial Close	December 2016
Limited Notice to Proceed (Design and Permitting)	December 2016
Financial Close	November 2017
Start of Construction	February 2018

### 8. Risk and Response Strategies:

As of December 31, 2019, the Department has processed fourteen (14) change orders (Table 8.1).

**Table 8.1 - Change Orders**

UPC	Change Description	Change Order Amount (C-10 Total)	Change Order Amount (Actual Amount Paid as of December 31, 2019)
N/A	2016 Road & Bridge Standards	\$ -	\$ -
N/A	U.S. 29 Gainesville Field Office / Staging Area	\$ -	\$ -
110741	Utility Work for Parcel No. 101	\$ -	\$ -
110496	Norfolk Southern Railway Company Easement Agreement	\$ -	\$ -
110741	Route 28 / Route 50 / Yeonas Drive	\$ -	\$ -
110496	Modified VDOT Duct Bank*	\$6,750,000	\$84,375
112781	Jermantown Road Bridge Widening**	\$9,400,000	\$470,000
112779	Poplar Tree Road Bridge Widening**	\$2,600,000	\$0
112778	I-66 Mainline Widening at Rte. 29 (Feasibility Study)**	\$1,000,000	\$0
112778	I-66 Mainline Widening at Rte. 29 (Design Services)**	\$3,200,000	
112778	I-66 Mainline Widening at Rte. 29 (Construction Services)**	\$50,800,000	
115936	Compton Road Shared Use Path***	\$918,600	
116083	Braddock/Walney Shared Use Path***	\$3,800,000	
112780	Monument Drive Sidewalk	\$3,550,000	
	<b>Total</b>	<b>\$82,018,600</b>	<b>\$554,375</b>

\* The Department is working with a third-party to reach an agreement for this cost.

\*\*Concession Fee projects funded through the Concession Fee and locality funds.

\*\*\*Funded through Fairfax County locality funds.

As of December 31, 2019, the Department and the Developer have identified eleven (11) additional potential change orders (Table 8.2). These items may or may not materialize into change orders and include potential risk items which may result in financial impacts to the Project.

Contingencies for risk were not initially funded by the Department but it was contemplated that such risks may be funded by the Department should the need arise. The status of each of the risk items is as follows:

Table 8.2 - Potential Change Orders*			
Description	Previous Financial Plan	FPAU	Comments
Sound Wall Quantity	\$0	\$0	Will be resolved with pending Change Order #16
Right-of-Way	\$0	\$0	Potential funding for any risk exposure will be partially mitigated through applicable provisions of pending Change Order #16
WMATA Reimbursable	\$0	\$0	
Dunn Loring Flyover (TPSS)	TBD	\$0	\$55M exposure for relocating the TPSS will be mitigated to \$0 through provisions of pending Change Order #16 (see Total Avoidance Plan (TAP) item)
PWC Scope Exchange (Balls Ford & Century Park Dr.)	\$0	\$0	Will be resolved per pending Change Order #15
Lighting of University Parking Lot	\$0	\$0	VDOT decided to use Dominion standards so that Dominion can maintain and operate these lights. This issue was mutually agreed upon on 12/12/19 without additional cost to VDOT.
Shared Use Paths – Project wide	\$0	\$0	This issue was mutually agreed upon on 12/12/19 without additional cost to VDOT.
Yeonas Drive Soundwall	\$0	\$0	This issue was mutually agreed upon on 12/12/19 without additional cost to VDOT.
Nutley Interchange	\$0	\$0	Will be resolved with pending Change Order #16
Rubbilization	\$0	\$0	Will be resolved with pending Change Order #16
Dunn Loring TPSS Future Power Supply and Duct Bank	\$0	TBD	Funding will come from third party (WMATA)
Additional Existing Bridge Repair – VDOT assets	\$0	TBD	<ul style="list-style-type: none"> <li>The Project may seek funding from other VDOT sources</li> <li>Contingent upon identification of funding sources</li> </ul>

\*Currently, the plan is to utilize available project funds which identify cost-saving opportunities that will result in a cost-neutral change orders.

## 9. Annual Update Cycle.

The next Financial Plan Annual Update will be due on April 1, 2021 with financial cut-off as of December 31, 2020.

## **10. Summary of Cost Changes Since Last Year's Financial Plan**

There were no changes in this reporting financial period.

## **11. Cost and Funding Trends Since Initial Financial Plan**

As outlined in Section 4, the Department has identified additional funds to cover the cost increase between the Initial Financial Plan and the current estimate. As outlined in Section 3, the Initial Financial Plan estimate was \$173,822,770. The current estimate is \$174,495,086 for an increase of \$672,316. The increase was due to the Department's under-estimated TIFIA loan closing costs, attorney's fees, and executed change orders to date. There were no changes in this reporting financial period.

## **12. Summary of Schedule Changes Since Last Year's Financial Plan**

As outlined in Section 2, as of December 31, 2019, the Design-Build Contractor is reporting a Project Completion date of December 30, 2022. A new proposed re-baseline schedule was submitted by the Developer/Design-Build Contractor to the Department in November 2019 and will be incorporated into Change Order No. 16 by reference for the purposes of incorporating changes associated with Change Order No. 16. The Project Completion date is not amended by Change Order No. 16 directly but is conditionally affected if the Developer is able to achieve Service Commencement sooner than December 1, 2022. Change Order #7 extends the intermediate completion of milestone #2 (removal of Route 28 Signals) to November 25, 2020. Change Order #9 extends the intermediate completion of milestone #1 (960 parking spaces available at University Blvd. Park & Ride Lot) to October 5, 2019.

## **13. Schedule Trends Since Initial Financial Plan**

As outlined in Section 12, as of December 31, 2019, the Design-Build Contractor is now reporting an on-time completion of the Project of December 30, 2022.