

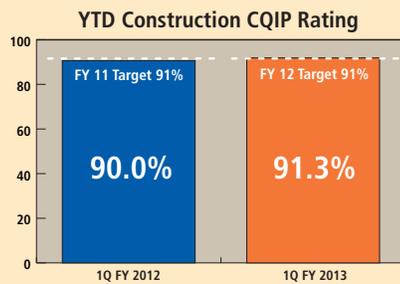


New E-ZPass Fee Structure Enacted

VDOT implemented a new fee structure for Virginia's E-ZPass program, the electronic toll-collection system that allows drivers to pay tolls from prepaid accounts without stopping at tollbooths.

Current E-ZPass customers will not pay the fee until they need a new transponder; all new E-ZPass customers, however, will pay the monthly fees. The monthly fee is 50 cents per standard transponder or \$1 per Flex transponder – used for toll-free travel in high-occupancy toll lanes, such as the Interstate 495 Express Lanes, when vehicles have three or more passengers. For more information, visit www.ezpassva.com.

Statewide Construction Quality Compliance



Construction quality, as evaluated by VDOT's Construction Quality Improvement Program (CQIP), measures project compliance with contract quality requirements. The evaluation is made through a critical assessment, guided by a checklist of more than 1,100 construction quality checkpoints. The results show VDOT's commitment to building quality roads and bridges while seeking opportunity for continuous improvement. Annual CQIP compliance results through the first quarter of FY 2013 were 91.3 percent, ahead of the target of 91 percent. This compares with the 90 percent rating for the first quarter of FY 2012.

COMMISSIONER'S MESSAGE

Virginia has \$14 billion worth of transportation projects under construction or in procurement. The governor's \$4 billion legislative package from 2011 is still bearing fruit as it supports such projects and enhances the state's economy. This initiative also has aided our ability to partner with the private sector, using their resources to help fund and build new infrastructure.

For example, Governor McDonnell led the groundbreaking in August to start construction on the Interstate 95 Express Lanes, a new public-private partnership (P3). These high-occupancy toll lanes will run 29 miles from Stafford County to Fairfax County and connect with the just-opened I-495 Express Lanes, another P3 that will improve driving on 14 miles of the Capital Beltway in Virginia.

The Virginia Department of Transportation (VDOT) is contributing \$71 million to this new I-95 project, with the private firms providing \$854 million. VDOT will maintain ownership of this section of I-95 and oversee the consortium's activities. The private firms will finance, build, operate and maintain the 95 Express Lanes for a 76-year concession period. They also will

assume the risk for delivering the project on a performance-based, fixed-price, fixed-date contract, protecting taxpayers from cost overruns and delays.

VDOT also issued a request for proposals seeking private-sector competition to operate and better integrate our transportation operations centers (TOCs) for more consistency among the TOCs statewide. We operate these facilities in five locations to monitor traffic conditions via cameras and other technology to coordinate how we manage congestion and incident response and to communicate with travelers online and via 511 about road conditions.

Finally, VDOT and the Office of Transportation Public-Private Partnerships selected a P3 team to design, build and finance the new U.S. 460 limited-access highway that will improve travel between Interstate 295 and Suffolk. We expect work to begin in 2013.

Greg Whirley
Commissioner

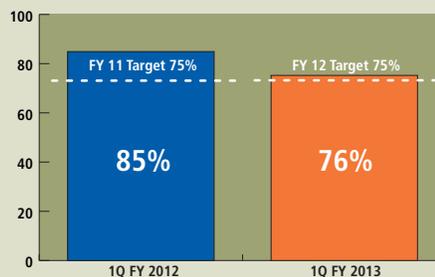
CONTRACTS COMPLETED BOTH ON TIME AND WITHIN BUDGET



81 construction and maintenance contracts were due for completion by the end of the first quarter of FY 2013. Of those 81 contracts, 54 (66.7 percent) were completed both on time and within budget.

SCHEDULED CONTRACTS COMPLETED ON TIME

CONSTRUCTION ON-TIME PERFORMANCE



33 construction contracts were due for completion by the end of the quarter. Of those 33 contracts, 25 (75.8 percent) were completed on time.

MAINTENANCE ON-TIME PERFORMANCE



48 maintenance contracts were due for completion by the end of the quarter. Of those 48 contracts, 34 (70.8 percent) were completed on time.

VDOT NOTES

Major projects

I-95 bridge restorations/Richmond: Interstate 95 southbound bridge over Hermitage Road was completed in August.

Northern Virginia District: Telegraph Road park-and-ride facility (Phase 1), a joint venture with Prince William County, opened with 553 spaces. New ramps linking Dulles Access Highway and Interstate 495 (Capital Beltway) also opened. Bridges completed on Gledsville Road, Leesburg, and Blackburn Road, Woodbridge.

Culpeper District/Albemarle County: Bridge replacement, Route 637/Dry Bridge Road, completed a week early. Jefferson Park Avenue bridge and Jarmans Gap Road both completed on time.

Lynchburg District/Danville: New Robertson Bridge over Dan River and Piedmont Drive improvements completed. Bridge is 940 feet long and has five traffic lanes and a pedestrian/bicycle trail.

Bristol District/Dickenson County: Route 681 improvement project completed early and under budget; Route 63 bridge replacement also completed early.

ERC takes over tunnel operations

The Virginia Department of Transportation (VDOT) transferred all operations and maintenance responsibilities of the Downtown and Midtown tunnels to its partner, Elizabeth River Crossings (ERC). The agreement allows VDOT to use private-sector technical, management and financial resources to deliver an enhanced transportation system to Hampton Roads in a timely, cost-efficient manner. ERC also will handle incident response and snow removal for the tunnels and 51 lane miles of associated roadways.

Awards and honors

I-81 pavement-recycling project: Southeastern Association of State Highway and Transportation Officials (SASHTO) – America's Transportation Award for Best Use of Innovation (small project)

Finalist (one of 10) for 2012 America's Transportation Awards, sponsored by American Association of State Highway and Transportation Officials (AASHTO), AAA and U.S. Chamber of Commerce

Engineering News Record (ENR) Merit Award, "Best Small Project" category (under \$10 million)

Governor's Technology Awards:

"IT as Efficiency Driver – Government to Citizen" category, winner – VDOT's newly updated 511 traffic-information system

"Cross-Boundary Collaboration on IT Initiatives" category, finalist – **Cardinal** financial-management project, a partnership of VDOT, Department of Accounts and Virginia Information Technology Agency

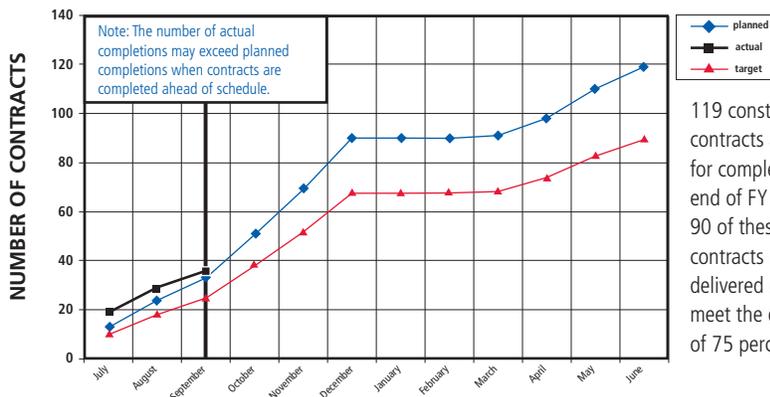
Federal Highway Administration, "Excellence in Right-of-Way Leadership" award: **Right of Way and Utilities Division** and **Richard Bennett**, division administrator, for reorganizing and regionalizing the function after staff reductions

ManTech Systems Engineering and Technologies Inc., Walter B. Satterfield Memorial Award: **Carl Stevens**, C.E.M., Lynchburg district equipment manager, for designing and implementing VDOT's equipment shop supervisor training course

American Road & Transportation Builders Association (ARTBA), 2012 Work Zone Safety Awareness Award, outreach program/local category: **Hampton Roads District Communications**, High School Senior Safety Challenge for work-zone awareness

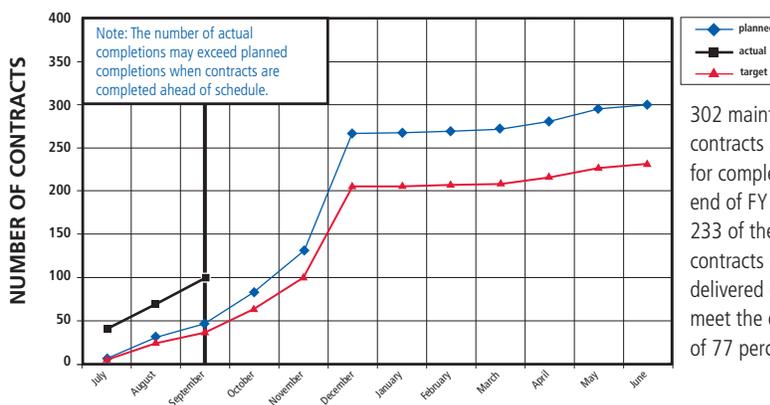
FIRST QUARTER FISCAL YEAR 2013 PERFORMANCE

FY 2013 CONSTRUCTION CONTRACTS COMPLETED ON TIME



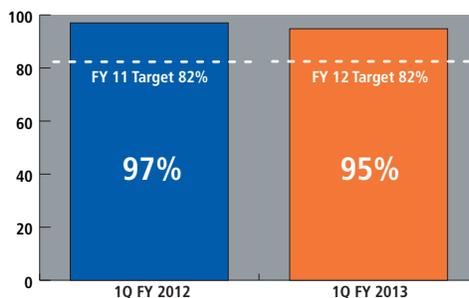
119 construction contracts are scheduled for completion by the end of FY 2013. At least 90 of these 119 contracts must be delivered on time to meet the on-time target of 75 percent.

FY 2013 MAINTENANCE CONTRACTS COMPLETED ON TIME



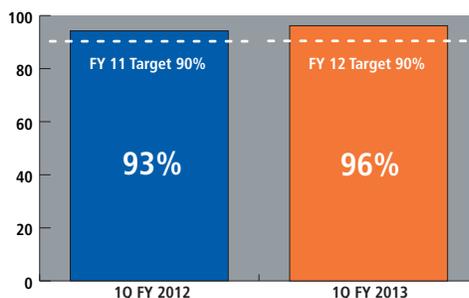
302 maintenance contracts are scheduled for completion by the end of FY 2013. At least 233 of these 302 contracts must be delivered on time to meet the on-time target of 77 percent.

CONSTRUCTION CONTRACTS COMPLETED WITHIN BUDGET



39 construction contracts were actually completed by the end of the quarter. Of those 39 completed contracts, 37 (94.9 percent) were completed within budget.

MAINTENANCE CONTRACTS COMPLETED WITHIN BUDGET



100 maintenance contracts were actually completed by the end of the quarter. Of those 100 completed contracts, 96 (96 percent) were completed within budget.