

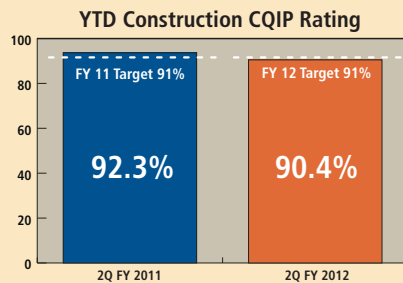


I-95 Express Lanes advance

VDOT and Fluor-Transurban agreed in principle to major terms to build the Interstate 95 Express Lanes project (formerly the High Occupancy Vehicle/High Occupancy Toll Lanes project). This allows them to finalize the comprehensive agreement and financing package for the \$940 million project, financed and constructed under Virginia's Public-Private Transportation Act, with \$843 million financed by Fluor-Transurban. A public investment of \$97 million will generate nearly \$1 billion worth of improvements to help reduce congestion.

The U.S. Department of Transportation also awarded VDOT a \$20 million TIGER grant for this project. It is one of four projects nationally to receive this top amount in the third round of the federal Transportation Investment Generating Economic Recovery, or TIGER, grants.

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 compliance results through the second quarter of FY 2012 slipped under the 91 percent target to 90.4 percent, as compared to the FY 2011 second quarter rating of 92.3 percent.

COMMISSIONER'S MESSAGE

The Virginia Department of Transportation (VDOT) advertised more than \$2 billion worth of construction and maintenance contracts in 2011. Contracts included repaving, bridge repairs and replacements, and safety improvements. The governor's 2011 transportation package invests \$4 billion over three years. Since the funding took effect, VDOT has completed 111 projects, another 625 projects are in the preliminary engineering, right-of-way or construction phases, and an additional 290 projects are in the pipeline for construction.

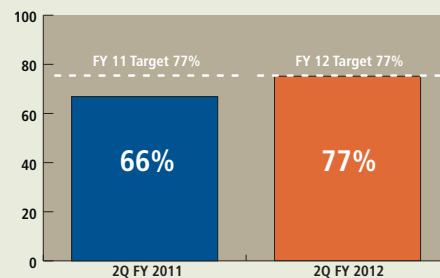
An end-of-year analysis by the Virginia Center for Transportation Innovation and Research found that just 10 of these new projects would provide nearly 3,700 direct jobs during their construction, \$190.8 million in personal income, \$14.8 million in state and local tax revenues and other benefits to Virginia. The governor noted that "this review of a cross section of new VDOT road projects clearly illustrates that putting such work on the street in turn puts Virginians to work and returns other financial benefits back to the commonwealth."

VDOT leveraged approximately \$486 million in public funds to advance \$2.3 billion in Public Private Partnership projects, including the Midtown/Downtown Tunnel in Hampton Roads, the Coalfields Expressway in Bristol District and U.S. 58 between Hillsville and Stuart in Salem District, as well as the I-95 Express Lanes. I signed a comprehensive agreement with Elizabeth River Crossings (ERC) to build a new Midtown Tunnel, rehabilitate the existing Midtown Tunnel and the Downtown Tunnels, and extend the Martin Luther King Freeway.

Finally, VDOT is now using design-build procurement methods to accelerate the delivery of several projects made possible through the governor's transportation package. The design-build procurement method streamlines project delivery by placing responsibility for the design and construction of a project on a single entity. The design-build team constructs the project while design is still under way, greatly reducing the overall time required to complete the project.

Greg Whirley
Commissioner

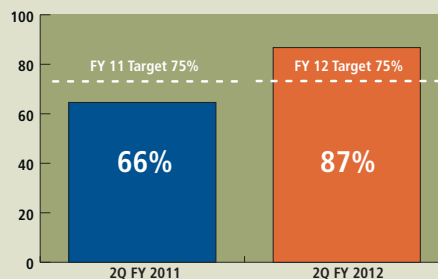
CONTRACTS COMPLETED BOTH ON TIME AND WITHIN BUDGET



340 construction and maintenance contracts were due for completion by the end of the second quarter of FY 2012. Of those 340 contracts, 262 (77.1 percent) were completed both on time and within budget.

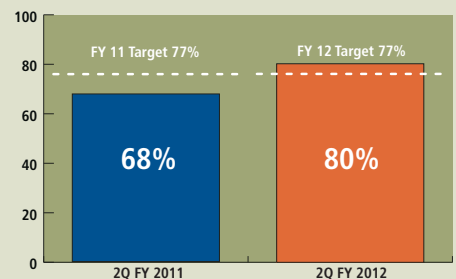
SCHEDULED CONTRACTS COMPLETED ON TIME

CONSTRUCTION ON-TIME PERFORMANCE



54 construction contracts were due for completion by the end of the quarter. Of those 54 contracts, 47 (87.0 percent) were completed on time.

MAINTENANCE ON-TIME PERFORMANCE



286 maintenance contracts were due for completion by the end of the quarter. Of those 286 contracts, 228 (79.7 percent) were completed on time.

VDOT NOTES

Travel times initiated on I-95

VDOT operations staff launched travel times on Interstate 95 just three months after initiating a pilot program on Interstate 66. On I-95, three signs northbound and four signs southbound provide miles and minutes to key destinations between the Pentagon and Fredericksburg.

I-66 improvements under way

The first of three spot improvements began on westbound I-66 inside the Capital Beltway in Northern Virginia. The opening of a two-mile auxiliary lane on westbound I-66 between Fairfax Drive and Sycamore Street in Arlington County will bring much-needed congestion relief to motorists. The improvement includes a 12-foot wide shoulder constructed with full-strength pavement, allowing it to carry traffic during emergency situations.

Enhanced Safety Service Patrol

VDOT enhanced the Safety Service Patrol circulation on Interstate 95 in Spotsylvania and Stafford counties to provide daily service and additional hours. The mobile units provide rapid traffic control on interstates during incidents and other emergencies.

U.S. 29 Bypass responses

Nine firms provided responsive submittals of qualifications in December in the first step of VDOT's request for proposals for the U.S. 29/Charlottesville Bypass project. VDOT sought proposals to build the new road using its design-build project-development process. Each responsive firm will be allowed to submit a proposal for the project. Bids are due April 17.

Storm reimbursements

Virginia receive more than \$2.18 million in federal aid to repair roads and bridges damaged by Hurricane Irene in late August and Tropical Storm Lee in September, according to the U.S. Department of Transportation. Districts affected by these two storms made significant progress in repairing the roads and bridges damaged by heavy rains and downed trees.

State bicycle plan published

VDOT completed the 2011 State Bicycle Policy Plan, which identifies the agency's vision and goals for the future of bicycling in the commonwealth. The plan ensures that bicyclists remain an integral part of Virginia's multimodal transportation system.

Awards and recognitions:

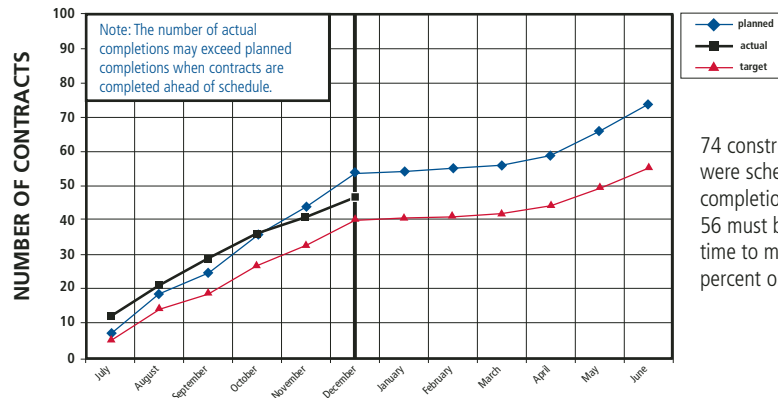
Construction Management Association of America – "Distinguished Owner" award to Mark Cacamis, P.E., CCM, Scheduling and Contract Division administrator, for his significant contribution in promoting excellence and professionalism in construction and program management.

Governor's Supplier Diversity Program Leader award – to Grindly Johnson, VDOT chief of administration, for outstanding efforts in support of the mission of the Department of Minority Business Enterprise and Small, Women and Minority Owned Businesses.

Virginia Asphalt Association – Statewide Maintenance award to the Culpeper District for the Route 211 pavement project in Rappahannock County.

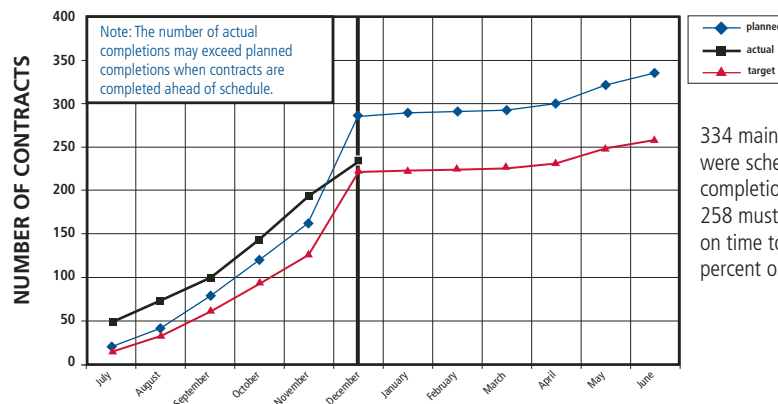
SECOND QUARTER FISCAL YEAR 2012 PERFORMANCE

FY 2012 CONSTRUCTION CONTRACTS COMPLETED ON TIME



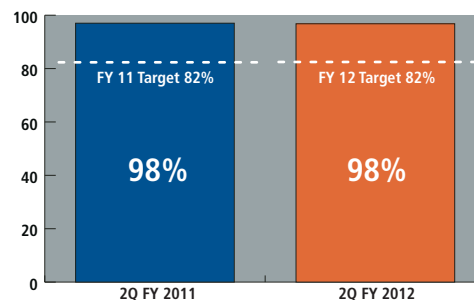
74 construction contracts were scheduled for completion in the year, and 56 must be delivered on time to meet the 75 percent on-time target.

FY 2012 MAINTENANCE CONTRACTS COMPLETED ON TIME



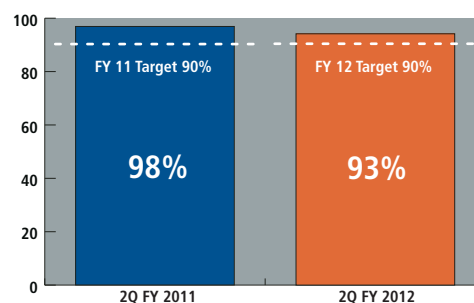
334 maintenance contracts were scheduled for completion in the year, and 258 must be delivered on time to meet the 77 percent on-time target.

CONSTRUCTION CONTRACTS COMPLETED WITHIN BUDGET



51 construction contracts were actually completed during the quarter. Of those 51 completed contracts, 50 (98.0 percent) were completed within budget.

MAINTENANCE CONTRACTS COMPLETED WITHIN BUDGET



270 maintenance contracts were actually completed during the quarter. Of those 270 completed contracts, 252 (93.3 percent) were completed within budget.