



INDIANA DEPARTMENT OF TRANSPORTATION

100 North Senate Avenue
Room N758
Indianapolis, Indiana 46204

PHONE: (317) 232-5525
FAX: (317) 234-8365

Eric Holcomb, Governor
Joe McGuinness,
Commissioner

September 29th, 2023

Jermaine Hannon
Division Administrator
FHWA Indiana Division
575 N Pennsylvania St., Room 254
Indianapolis, IN 46204

Subject: I-70 Rehabilitation & Modernization Project Financial Plan Annual Update Letter of Certification

Dear Mr. Hannon:

The Indiana Department of Transportation has developed a comprehensive Financial Plan Annual Update for the I-70 Rehabilitation and Modernization Project in accordance with the requirements of 23 U.S.C. §106 and the Financial Plan guidance issued by the Federal Highway Administration. The plan provides detailed cost estimates to complete the project and the estimates of financial resources to be utilized to fund the project.

The cost data in the Financial Plan provide an accurate accounting of costs incurred to date and include a realistic estimate of future costs based on engineer's estimates and expected construction cost escalation factors. While the estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables, they represent realistic estimates of resources available to fund the project as described.

The Indiana Department of Transportation believes the Financial Plan Annual Update provides an accurate basis upon which to schedule and fund the I-70 Rehabilitation and Modernization Project and commits to provide Annual Updates according to the schedule outlined in the Initial Financial Plan.

To the best of our knowledge and belief, the Financial Plan Annual Update as submitted herewith, fairly, and accurately presents the financial position of the I-70 Rehabilitation and Modernization Project, cash flows, and expected conditions for the project's life cycle. The financial forecasts in the Financial Plan Annual Update are based on our judgment of the expected project conditions and our expected course of action. We believe that the assumptions underlying the Financial Plan Annual Update are reasonable and appropriate. Further, we have made available all significant information that we believe is relevant to the Financial Plan Annual Update and, to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

Sincerely,

A handwritten signature in blue ink that reads "Joseph Gustin".

Joseph Gustin
CFO, Deputy Commissioner of Finance
Indiana Department of Transportation

I-70 Rehabilitation and Modernization



2023 Financial Plan Annual Update

June 2023*

*Project cost estimates and completion schedules reflect information available as of June 30, 2023.

Submitted to:
Federal Highway Administration

Submitted by:
**Indiana Department of
Transportation**



TABLE OF CONTENTS

Chapter 1. Project Description	1
Introduction.....	1
Project Overview	1
Project Sponsor.....	1
Project Detail	1
Figure 1-1. Project Map Overview	2
Figure 1-2. Project Map Detail	3
Project Delivery Approach	3
Chapter 2. Project Schedule.....	4
Introduction.....	4
Project Schedule Overview.....	4
Table 2-1. Project Schedule Overview	4
2023 Financial Plan Update.....	4
Procurement Schedule	4
Table 2-2. Procurement Schedule.....	4
2023 Financial Plan Update.....	5
Permits and Approvals.....	5
Table 2-3. Required Permits and Notifications	5
Chapter 3. Project Costs.....	6
Introduction.....	6
Cost Estimates.....	6
Table 3-1. Project Cost Estimate by Activity (In \$ millions)	6
2023 Financial Plan Update.....	6
Cost Estimating Methodology	6
Table 3-2. Cost Estimating Methodology.....	6
Project Expenditures.....	7
Table 3-3. Project Cost Estimate by Fiscal Year (In \$ millions).....	7
2023 Financial Plan Update.....	7
Chapter 4. Project Funds	8
Financial Plan Overview.....	8
Procurement Approach and Financing	8
State Transportation and Federal-Aid Formula Funding.....	8
Table 4-1. Federal and State Funding (In \$ Millions)	9
2023 Financial Plan Update.....	9
Progress Payments	9
Federal Discretionary Funding	9
Risks Associated with Funding Availability	9
Chapter 5. Financing Issues.....	10
Introduction.....	10
Financing Strategy	10
Chapter 6. Cash Flow	11
Introduction.....	11
Estimated Sources and Uses of Funding.....	11
Table 6-1. Estimated Project Sources and Uses of Funds (In \$ Millions).....	11
2023 Financial Plan Update.....	11
Cash Management Techniques	11
Table 6-2. Advanced Construction Funding Status (in \$ millions).....	11

Projected Cash Flows.....	11
Table 6-3. Cash Flows (In \$ Millions).....	12
2023 Financial Plan Update.....	12
Table 6-4. IFP Cash Flows (In \$ Millions).....	12
Chapter 7. Public-Private Partnership (P3) Assessment.....	13
Introduction.....	13
P3 Assessment	13
Legislative Authority	13
Indiana’s P3 Management Structure.....	13
Benefits – Disadvantages Comparison	13
Risk Location Analysis.....	14
Table 7-1. INDOT P3 Screening Criteria – Step One	14
Table 7-2. INDOT P3 Screening Criteria – Step Two.....	15
Table 7-3. Required Permits and Notifications	16
Market Conditions	17
Chapter 8. Risk and Response Strategies	18
Introduction.....	18
Project Cost Risks and Mitigation Strategies	18
Table 8-1. Project Cost – Risks and Response Strategies.....	18
2023 Financial Plan Update.....	19
Project Schedule Risks and Mitigation Strategies	19
Table 8-2. Project Schedule – Risks and Response Strategies	19
2023 Financial Plan Update.....	20
Financing Risks and Mitigation Strategies	21
Table 8-3 Financing and Revenue – Risks and Response Strategies	21
2023 Financial Plan Update.....	21
Procurement Risks and Strategies.....	21
Table 8-4. Procurement – Risks and Response Strategies.....	21
2023 Financial Plan Update.....	21
Impact on Statewide Transportation Program	21
Chapter 9. Annual Update Cycle.....	22
Introduction.....	22
Future Updates.....	22
Chapter 10. Summary of Cost Changes Since Last Year’s Financial Plan.....	23
Introduction.....	23
Figure 10-1. Cost Estimate Comparison by Activity to the Prior Update (in \$ millions)	23
Chapter 11. Cost and Funding Trends Since the Initial Financial Plan.....	24
Introduction.....	24
Table 11-1. Cost Estimate Comparison by Financial Plan (in \$ millions)	24
Figure 11-1. Funding & Expenditures Comparison by SFY (in \$ millions)	25
Table 11-2. Summary of Construction Cost Changes (in \$ millions)	26
Chapter 12. Summary of Schedule Changes Since Last Year’s Financial Plan	27
Introduction.....	27
Chapter 13. Schedule Trends Since the Initial Financial Plan	28
Introduction.....	28

CHAPTER 1. PROJECT DESCRIPTION

INTRODUCTION

This document presents the Financial Plan Annual Update (FPAU) for Interstate 70 (I-70) Rehabilitation and Modernization (the Project), including current cost estimates, expenditure data through the effective date of June 30th, 2023, the current schedule for delivering the Project, and the financial analyses developed for the Project. This FPAU has been prepared generally in accordance with Federal Highway's (FHWA's) Financial Plans Guidance.

PROJECT OVERVIEW

The Project will increase the capacity of I-70 from 1.1 miles west of Mount (Mt.) Comfort Road to 1.3 miles east of State Road (SR) 9 near County Road (CR) N 300 E / N Blue Road in Hancock County thru the addition of travel lanes, updates to interchange merge and diverge areas. The project includes added travel lanes, interchange modernizations, pavement reconstruction and rehabilitation, bridge replacement and rehabilitation, new signs, lighting, and ITS components and drainage as described below.

PROJECT SPONSOR

The Indiana Department of Transportation (INDOT) is the Project Sponsor for the Project. The Project will be procured and managed by the INDOT. The Project is located in Hancock County, IN.

PROJECT DETAIL

Added Travel Lanes – includes the construction of an additional travel lanes in each direction for approximately 10 miles, from 1.1 miles west of Mt. Comfort Road to 1.3 miles east of SR 9.

Interchange Modernizations – Improvements at Mt. Comfort Road include reconfiguring the I-70 westbound on-ramp from an added lane to a parallel ramp, reconfiguring the eastbound exit lane from a lane drop to a two-lane taper type exit. Improvements at SR 9 include ramp entrance and exit terminals updated to current standards.

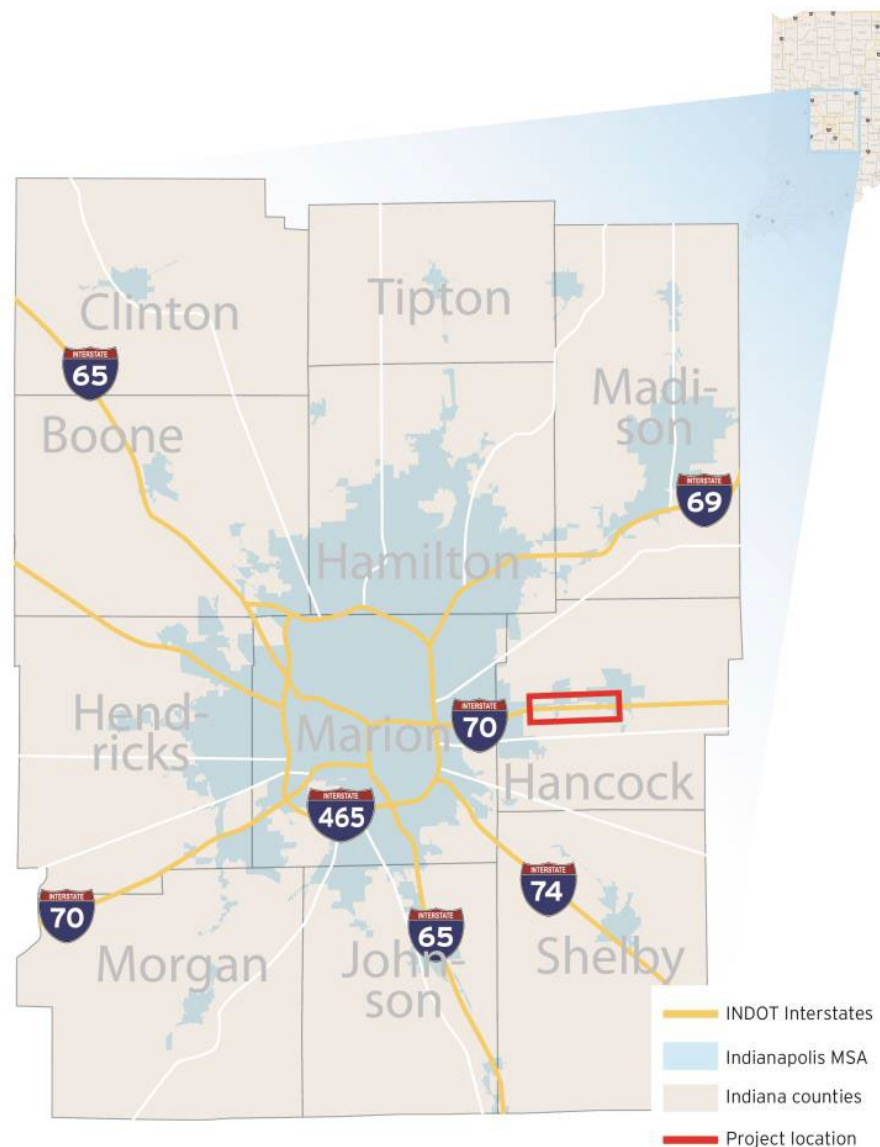
Pavement Rehabilitation and Reconstruction – includes the complete reconstruction of westbound I-70 from Mt. Comfort Road to Sugar Creek; 2 inch mill and resurface of existing eastbound and westbound lanes from Sugar Creek to SR 9 which replaces the functional 4 inch mill and resurface due to pavement conditions being better than expected; complete reconstruction of the eastbound and westbound driving lane and outside shoulder of I-70 between CR 700 W and Mt. Comfort Road; complete reconstruction of eastbound I-70 driving lane and outside shoulder between Mt. Comfort Rd to 1.23 miles east of Mt. Comfort Rd; complete reconstruction of eastbound and westbound I-70 from SR 9 to CR 300/Blue Rd.

Bridge Replacement and Rehabilitation – includes the widening of eastbound and westbound bridges over Buck Creek, Sugar Creek, and Brandywine Creek; rigid overlay of existing lanes on eastbound I-70 over Buck Creek; rigid overlay on eastbound and westbound I-70 over Sugar Creek; replacement of CR 700 W Bridge over I-70 to accommodate the Mt. Comfort Road interchange ramp realignments.

Signing, Lighting, and ITS – includes new signing along the corridor between CR 700 W and CR 300/Blue Rd; new high mast and conventional lighting at SR 9; retrofit of existing high mast and conventional lighting with LED luminaires at Mt. Comfort interchange; added conventional lighting at the lengthened on and off ramps at Mt. Comfort Road; relocating the ITS tower from the northeast quadrant of CR 700 and I-70 to the southeast quadrant due to impacts of extending the ramp lane drop from westbound Mt. Comfort Road interchange entrance ramp; ITS fiber will be extended from Mt. Comfort Road to CR 300 / Blue Rd.

Drainage – includes the construction of a storm sewer located in the median; replacement of four (4) small structures; regrading of ditches on the outside of the roadway adjacent to reconstruction of the existing roadway to accept the new underdrain outlets.

FIGURE 1-1. PROJECT MAP OVERVIEW



From an environmental standpoint this project strictly follows the NEPA documentation process and guidelines. A NEPA Final decision has been achieved as of the preparation of this FPAU.

The Categorical Exclusion-4 was approved in May 2021.

FIGURE 1-2. PROJECT MAP DETAIL



PROJECT DELIVERY APPROACH

The INDOT has evaluated various alternative contracting methods permitted under current Indiana law. Such alternative delivery models are expected to enhance the feasibility of the Project through accelerated project delivery; avoidance of inflation costs; and the transfer of various risks to the private sector, such as design and construction risk. As a result, INDOT has utilized a design-build-low-bid (DBLB) procurement model for this project. Proposer teams competed for the project focusing on a fixed scope procurement. Proposer teams submitted technical proposals that were scored. Technical Proposals were scored before any Cost Proposal was opened. The Technical Proposal submittal score was based on the total proposal score using a 100-point scale. The scope score represented up to 70 points of the total score; the project schedule score represented up to 10 points of the total score; and the traffic control plan score represented up to 20 points of the total score.

Technical Proposal Score = Scope Score (maximum 70 points available) + Project Schedule Score (maximum 10 points available) + Traffic Control Plan Score (maximum 20 points available)

Scores were based on the proposer’s adherence to the Scope of Services and demonstration of a thorough understanding of the Scope of Work and Contract Documents. Technical proposals which received a score of less than 80 were not considered for further evaluation and the proposer’s cost proposal was not opened.

The Preferred Proposer, the selected design-builder contractor, was selected based on a technical proposal score of at least 80 and a low bid price proposal. The Preferred Proposer will complete the work for a lump sum amount. INDOT will own, operate, and maintain the facility after final acceptance. This facility is and will remain a non-tolled roadway.

CHAPTER 2. PROJECT SCHEDULE

INTRODUCTION

This chapter provides information on the planned implementation schedule for the Project. It also provides additional information regarding the allocation of implementation responsibilities and a summary of the necessary permits and approvals.

PROJECT SCHEDULE OVERVIEW

The Project is currently comprised of a single DBLB construction contract. As shown in Table 2-1 below, the environmental and preliminary engineering (PE) phases of work were completed by the end of State Fiscal Year (SFY)21, June 30, 2021. The Project construction will allow for substantial completion in the second quarter of SFY25, by November 01, 2024, and contract completion November 30, 2025.

TABLE 2-1. PROJECT SCHEDULE OVERVIEW

Phase / State Fiscal Year	2021 & Prior	2022	2023	2024	2025	2026
Environmental	IFP					
	2023 FPAU					
Preliminary Design	IFP					
	2023 FPAU					
Final Design		IFP				
		2023 FPAU				
Construction		IFP				
		2023 FPAU				

2023 FINANCIAL PLAN UPDATE

The substantial and contract completion dates have been extended to November 30, 2025, discussed further in Chapter 12.

PROCUREMENT SCHEDULE

The INDOT awarded a construction contract in October 2021 as shown in the procurement schedule below (see Table 2-2). The Project does not require permanent RW acquisitions within the project limits. Further, there are no railroad relocations associated with this Project. Table 2-2 provides the current procurement schedule for the Project.

TABLE 2-2. PROCUREMENT SCHEDULE

Schedule Item	IFP	2022 FPAU	2023 FPAU
Project Advertisement	7/14/2021	7/14/2021	7/14/2021
Pre-Bid Meeting	7/21/2021	7/21/2021	7/21/2021
Field Checks	7/21/2021	7/21/2021	7/21/2021
Proposed Design Firms & Potential Conflicts of Interest Submittal Due	7/23/2021	7/23/2021	7/23/2021
Design Alternate Meetings	8/13/2021	8/13/2021	8/13/2021
Design Alternate Proposals Due	8/16/2021	8/16/2021	8/16/2021
Submittal of Technical Proposals	9/3/2021	9/3/2021	9/3/2021
Submittal of Cost Proposals/Bid Letting	9/15/2021	10/14/2021	10/14/2021

Schedule Item	IFP	2022 FPAU	2023 FPAU
Substantial Completion	11/30/2023	8/1/2024	11/1/2024
Contract Completion Date	12/31/2023	11/1/2024	11/30/2025

2023 FINANCIAL PLAN UPDATE

The Project’s letting date was moved out fifteen months to facilitate construction completion impacted by regional supply chain issues for cement. These changes are discussed further in Chapters 12 and 13.

PERMITS AND APPROVALS

The CE-4 was completed in May 2021. All permitting activity will be carried out in accordance with the CE-4. The RFP for final design and construction includes provisions to ensure compliance with all NEPA commitments that will be included in the CE-4. The INDOT has applied for most permits with key federal regulatory agencies. The permits and notifications that may be required by the CE-4 are outlined in Table 7-4 below. As illustrated, the Rule 5 permit will be the responsibility of the Design-Build Contractor (DBC).

TABLE 2-3. REQUIRED PERMITS AND NOTIFICATIONS

Agency	Permit/Notification	Responsibility
U.S. Army Corps of Engineers	Section 404 Permit for Discharge of Dredged or Fill Material into Waters of the United States	INDOT
Federal Aviation Administration	Tall Structure Permit FAA Form 7460-1 Notice of Proposed Construction or Alteration for a crane	INDOT
Indiana Department of Environmental Management	Isolated wetland permit	INDOT
Indiana Department of Environmental Management	Section 401 Water Quality Certification	INDOT
Indiana Department of Environmental Management	Rule 5 National Pollution Discharge Elimination System	DBC
Indiana Department of Natural Resources	Construction in a Floodway Permit	INDOT

CHAPTER 3. PROJECT COSTS

INTRODUCTION

This chapter provides a detailed description of Project cost elements and current cost estimates in year-of-expenditure dollars for each element. This chapter also summarizes the costs incurred to date since the original Notice of Intent was published in the Federal Register and provides detail on key cost-related assumptions.

COST ESTIMATES

The total estimated cost for the Project is \$178.87 million in year of expenditure (YOE) dollars. Unless otherwise stated in this financial, plan all figures are shown in YOE. This cost estimate includes the most current project phasing and anticipated schedule. Table 3-1 below provides an overview of Project costs, broken down by project component. Final design work was included in the letting and subsequent construction award, broken out separately in this Plan.

TABLE 3-1. PROJECT COST ESTIMATE BY ACTIVITY (IN \$ MILLIONS)

Phase	IFP	2022 FPAU	2023 FPAU
Preliminary Engineering	\$ 3.44	\$ 5.88	\$ 6.24
Final Design	\$ 2.28	\$ 2.28	\$ 2.28
Construction	\$ 103.93	\$ 167.21	\$ 167.21
CEI & Administrative	\$ 0.53	\$ 1.66	\$ 3.03
Utilities	\$ -	\$ 0.15	\$ 0.12
Project Total	\$ 110.18	\$ 177.18	\$ 178.87

2023 FINANCIAL PLAN UPDATE

The Project’s letting date was moved out one month to facilitate the inclusion of pavement replacement as opposed to pavement rehab, as originally scoped. The Project’s cost estimate has increased \$68.7 million since the IFP. The primary factors are from the construction contract award and scope changes. The PE and construction oversight and inspection (CEI) cost estimates have increased as well, and utilities coordination have been added. These are discussed further in Chapters 10 and 11.

COST ESTIMATING METHODOLOGY

Initial cost estimates were developed by consultant in conjunction with INDOT and FHWA. The cost estimates were developed by breaking down the Project into activities. The methodology for each element is further described below in Table 3-2.

TABLE 3-2. COST ESTIMATING METHODOLOGY

Cost Elements
Engineering and Design
<i>Preliminary and final engineering design services.</i>
Final engineering will be part of the DBLB contract. Engineering and design cost estimates are currently estimated at 5% of the construction cost estimate.
Design Program Management

Cost Elements

Cost to state for services of the General Engineering Consultant (GEC) during the design phase and miscellaneous departmental program management costs.

Program Management estimates are based on currently negotiated contracts and estimates that cover the currently planned Project schedule.

Construction Administration and Inspection

All construction and program management, administration, and inspection activities during the construction phase of the Project.

Construction Administration and Inspection costs are estimated at 1.8% of the construction cost estimate.

Construction

Estimated cost of construction.

Construction estimates reflect current prices inflated for YOE utilizing a large DBLB contract model.

Construction Contingency

Contingency to cover additional construction services in the event unforeseen circumstances arise that result in additional cost.

Construction contingency estimates are based on the level of engineering undertaken to date for the Project. Contingency factors have been developed based on the cost estimates that assessed the likelihood and potential cost of various major project risk items to evaluate the overall potential cost impact.

Enhancements

Various Project-related commitments as identified in the CE-4.

This includes fixed dollar commitments made for various NEPA commitments.

PROJECT EXPENDITURES

Table 3-3 shows the breakdown of costs for the Project annually by activity and SFY, respectively. Anticipated expenditures in future years are summarized in the table as well. Figures shown in prior SFY are actual expenditures (SFY23 and prior columns). The figures shown in the current SFY24 consist of all unexpended, obligated/encumbered funds plus any programmed funds not yet obligated/encumbered. Future SFY24-26 represent forecasted expenditures. Total expenditures are anticipated to be \$178.87 million.

TABLE 3-3. PROJECT COST ESTIMATE BY FISCAL YEAR (IN \$ MILLIONS)

Phase / Fiscal Year	2021 & Prior	2022	2023	2024	2025	Total
Preliminary Engineering	\$ 2.75	\$ 2.88	\$ 0.37	\$ 0.16	\$ 0.08	\$ 6.24
Final Design	\$ -	\$ 2.28	\$ -	\$ -	\$ -	\$ 2.28
Construction	\$ -	\$ 18.39	\$ 70.94	\$ 75.50	\$ 2.38	\$ 167.21
CEI & Administrative	\$ -	\$ -	\$ 1.35	\$ 1.42	\$ 0.25	\$ 3.03
Utilities	\$ -	\$ -	\$ 0.02	\$ 0.09	\$ -	\$ 0.12
Total Costs	\$ 2.75	\$ 23.55	\$ 72.69	\$ 77.17	\$ 2.71	\$ 178.87

2023 FINANCIAL PLAN UPDATE

As shown above, approximately \$98.99 million has been expended on the Project through the end of SFY23. \$79.88 million is anticipated to be available to expend in SFY24 through SFY26 that consists primarily of construction.

CHAPTER 4. PROJECT FUNDS

INTRODUCTION

This chapter discusses the project funding sources that are dedicated to the Project. Specifically, it presents the available and committed funding required to complete the Project, including state transportation and federal-aid formula funds, and federal discretionary fund. A discussion of risks associated with funding availability also is included.

FINANCIAL PLAN OVERVIEW

This FPAU reflects the planned funding and finance strategy by which the Project will be financed through a combination of conventional state and federal transportation program funds.

The INDOT has developed a financial plan that recognizes the limitations on conventional state and federal transportation funding and finds the right balance of funding alternatives to meet the following goals:

- ensuring Indiana’s financial obligations to the Project are manageable,
- ensuring that the Project delivers value to Indiana, taxpayers, project partners, and end users through the lowest feasible Project cost,
- seeking private sector innovation and efficiencies and encouraging design solutions that respond to environmental concerns, permits, and commitments in the CE-4,
- developing the Project in a safe manner that supports congestion management,
- ensuring the Project is constructed within a time period that meets or exceeds final completion target dates, and
- transparently engaging the public and minimizing disruptions to existing traffic, local businesses, and local communities.

The DBLB alternative delivery method selected by Indiana provides a straightforward approach to using traditional state and federal funding sources.

PROCUREMENT APPROACH AND FINANCING

The Project will be procured using a DBLB procurement model. Under this model, INDOT will make progress payments to a DBC as consideration for the contractor completing design and constructing a facility in accordance with the performance standards set forth in the Scope of Services.

A combination of state and federal funds will be used to make progress payments to the DBC. INDOT will budget for these using INDOT’s state appropriation determined by the Indiana General Assembly. The sources of federal funds used to support the payments are anticipated to be from the [National Highway Performance Program \(NHPP\)](#) and the [Better Utilizing Investments to Leverage Development Transportation Discretionary \(BUILD\)](#) grants funds.

STATE TRANSPORTATION AND FEDERAL-AID FORMULA FUNDING

NHPP funds combined with state funding from gas and wheel taxes will be used to partially fund the project. The federal formula to non-federal funds ratio of 57 to 43 percent is anticipated as described below in Table 4-1. Indiana has a demonstrated track record of meeting their state match obligations with a variety of state funding sources, including state-imposed fuel taxes and

a variety of transportation-related fees. Any funds in Advanced Construction (AC) that have not been converted to federal funds (obligation limitation) are included in the State Highway Fund line (total of \$0.00 million – see Table 6-3).

TABLE 4-1. FEDERAL AND STATE FUNDING (IN \$ MILLIONS)

Fund Type / State Fiscal Year	2021 & Prior	2022	2023	2024	Total
Federal					
NHPP	\$ -	\$ 71.49	\$ 1.75	\$ 6.73	\$ 79.97
Repurposed Earmark	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.04
BUILD Grants	\$ -	\$ 22.50	\$ -	\$ -	\$ 22.50
Subtotal, Federal Funds	\$ -	\$ 94.03	\$ 1.75	\$ 6.73	\$ 102.51
State					
State Funds	\$ 3.03	\$ 67.86	\$ 0.44	\$ 2.27	\$ 73.60
Lease Proceeds	\$ -	\$ 2.76	\$ -	\$ -	\$ 2.76
Subtotal, State Funds	\$ 3.03	\$ 70.62	\$ 0.44	\$ 2.27	\$ 76.37
Grand Total	\$ 3.03	\$ 164.65	\$ 2.19	\$ 9.00	\$ 178.87

2023 FINANCIAL PLAN UPDATE

Based on expectations regarding the availability of federal funding, as well as expectations regarding the availability of corresponding state transportation funds, an estimated \$178.87 million of federal-aid highway formula and state transportation funds is reasonably expected to be available to the Project (see Table 4-1). The Project funding is 3.07% of INDOT’s capital program with 5.78% utilization of NHPP funds.

PROGRESS PAYMENTS

To fund the progress payments, INDOT will enter into a Public-Private Agreement (PPA) with the Preferred Proposer (DBC). Under the PPA, INDOT will agree to fund payment as part of its budget. In addition to being reflected in INDOT’s internal budget and financial control systems, the original anticipated funding amount was reflected in the fiscally-constrained [2022-2026 Statewide Transportation Improvement Program \(STIP\)](#), as well as the [Indianapolis Metropolitan Planning Organization \(IMPO\) 2022-2025 Transportation Improvement Program \(TIP\)](#).

FEDERAL DISCRETIONARY FUNDING

The Project has utilized funding outside of federal-aid formulary and state transportation funds appropriated to INDOT to date. INDOT sought \$25 million in BUILD grant funds and was awarded \$22.5 million. These funds have been matched with state highway transportation funds and utilized for the construction phase of work on the Project. The Project has also utilized a small portion of federal repurposed earmark funds, \$40,630.00.

RISKS ASSOCIATED WITH FUNDING AVAILABILITY

The risks associated with funding availability are minimal to the Project. Funding has been committed to the Project from INDOT’s biennial State appropriations, federal-aid apportionments, and federal grant. The largest risk would be to other projects funding if funding availability becomes an issue. In this case, INDOT would move out affected project’s planned lettings.

CHAPTER 5. FINANCING ISSUES

INTRODUCTION

This chapter discusses the specific costs associated with financing the Project, including the issuance costs, interest costs, and other aspects of borrowing funds for the Project.

FINANCING STRATEGY

The Project will not utilize funding outside of federal aid and state transportation funds appropriated to INDOT. This plan eliminates issuance, interest, and borrowing costs.

CHAPTER 6. CASH FLOW

INTRODUCTION

This chapter provides an estimated annual construction cash flow schedule for the Project and an overview of the planned sources of funds.

ESTIMATED SOURCES AND USES OF FUNDING

A summary of the sources and uses of funds is shown in Table 6-1. This summary reflects INDOT's view of the funding structure based on the Project's economics. Sources of funds for the Project are currently anticipated to be fully funded through public funds contribution.

TABLE 6-1. ESTIMATED PROJECT SOURCES AND USES OF FUNDS (IN \$ MILLIONS)

Source of Funds	IFP	2022 FPAU	2023 FPAU	Change from IFP	FPAU % of Total
IN State & Federal Formulary	\$ 85.18	\$ 154.68	\$ 156.33	\$ 71.16	87.3%
IN Federal Discretionary	\$ 25.00	\$ 22.50	\$ 22.54	\$ (2.46)	12.7%
Source of Funds Subtotal	\$ 110.18	\$ 177.18	\$ 178.87	\$ 68.70	100%
Uses of Funds					
Design and Construction Costs	\$ 109.65	\$ 175.52	\$ 175.85	\$ 66.20	99.1%
CEI & Administrative	\$ 0.53	\$ 1.66	\$ 3.03	\$ 2.49	0.9%
Uses of Funds Subtotal	\$ 110.18	\$ 177.18	\$ 178.87	\$ 68.70	100%

2023 FINANCIAL PLAN UPDATE

As illustrated in Table 6-1 and previously mentioned, this Update realizes a \$68.7 million increases to the sources and uses of funds over the IFP. The BUILD grant source of funding total 12.7% for the Project sources of funds and the remainder from formulary funding sources. CEI are now 1% of the Project's sources and uses of funds with 99% for design and construction.

CASH MANAGEMENT TECHNIQUES

For Project funding expected to be contributed from state and federal sources, INDOT intends to utilize available cash management techniques, including but not limited to AC, to manage the timing of cash needs against the availability of federal and state funds. These techniques provide INDOT authority to concurrently advance projects utilizing the federally accepted practice of AC. Current year expenditures will be converted to obligation limitation while future year expenditure estimates will remain under AC. This practice will continue throughout the life of the project. At no time will Indiana's AC exceed Indiana's future federal estimates. Table 6-2 below shows the AC status on the Project of \$0.00 million and \$49.26 million converted to date.

TABLE 6-2. ADVANCED CONSTRUCTION FUNDING STATUS (IN \$ MILLIONS)

Funding Method	Amount AC'd to Date	Amount Converted to Date	Amount Remaining in AC
AC Authorizations	\$ 49.26	\$ 49.26	\$ -

PROJECTED CASH FLOWS

Table 6-3 summarizes the prior, current, and anticipated total, annual cash outlays for the Project

and does not reflect the cash flow timing effects of the various financing mechanisms but rather the underlying total Project expenditures.

TABLE 6-3. CASH FLOWS (IN \$ MILLIONS)

Revenues	2021 & Prior	2022	2023	2024	2025	2026	Total
Carry Forward		\$ 0.28	\$ 141.38	\$ 70.88	\$ 18.78	\$ 2.47	
INDOT Funding	\$ 3.03	\$ 164.65	\$ 2.19	\$ 9.00	\$ -	\$ -	\$ 178.87
Revenue Subtotal	\$ 3.03	\$ 164.65	\$ 2.19	\$ 9.00	\$ -	\$ -	\$ 178.87
Total Revenue Available	\$ 3.03	\$ 164.93	\$ 143.57	\$ 79.88	\$ 18.78	\$ 2.47	
Expenditures							
Preliminary Engineering	\$ 2.75	\$ 2.88	\$ 0.37	\$ 0.16	\$ 0.06	\$ 0.02	\$ 6.24
Final Design	\$ -	\$ 2.28	\$ -	\$ -	\$ -	\$ -	\$ 2.28
Construction	\$ -	\$ 18.39	\$ 70.94	\$ 59.50	\$ 16.00	\$ 2.38	\$ 167.21
CEI & Administrative	\$ -	\$ -	\$ 1.35	\$ 1.35	\$ 0.25	\$ 0.07	\$ 3.03
Utilities	\$ -	\$ -	\$ 0.02	\$ 0.09	\$ -	\$ -	\$ 0.12
Expenditures Subtotal	\$ 2.75	\$ 23.55	\$ 72.69	\$ 61.10	\$ 16.31	\$ 2.47	\$ 178.87
Net Cash Flow	\$ 0.28	\$ 141.38	\$ 70.88	\$ 18.78	\$ 2.47	\$ -	

2023 FINANCIAL PLAN UPDATE

As shown in Table 6-3 INDOT has expended \$98.99 million (expenditures) and obligated \$169.88 million (revenues) through SFY23. The remaining funding of \$9 million (revenues) are anticipated to be fully obligated by the end of SFY24 and expended through SFY26. The expenditures in SFY23 trailed estimates and those funds have carried over into SFY24 to expend.

Table 6-4 illustrates the Project cash flows from the IFP. In comparison to the current Update, the Project’s expenditures are not keeping pace with revenues leaving a larger carryover amount forecasted from SFY23 to SFY24. SFY22 funding/revenues ended more than anticipated in the IFP due to the additional costs for the construction contract award and the scope changes. Comparing the IFP and current Update demonstrates construction expenditures anticipated to lag further into future SFYs along with a longer construction timeframe.

TABLE 6-4. IFP CASH FLOWS (IN \$ MILLIONS)

Revenues	2021 & Prior	2022	2023	2024	Total
Carry Forward		\$ 0.28	\$ 58.59	\$ 10.45	
INDOT Funding	\$ 3.03	\$ 107.15	\$ -	\$ -	\$ 110.18
Revenue Subtotal	\$ 3.03	\$ 107.15	\$ -	\$ -	\$ 110.18
Total Revenue Available	\$ 3.03	\$ 107.42	\$ 58.59	\$ 10.45	
Expenditures					
Preliminary Engineering	\$ 2.75	\$ 0.69	\$ -	\$ -	\$ 3.44
Final Design	\$ -	\$ 1.14	\$ 1.14	\$ -	\$ 2.28
Construction	\$ -	\$ 46.77	\$ 46.77	\$ 10.39	\$ 103.93
CEI, Admin, Prgm	\$ -	\$ 0.24	\$ 0.24	\$ 0.05	\$ 0.53
Expenditures Subtotal	\$ 2.75	\$ 48.83	\$ 48.15	\$ 10.45	\$ 110.18
Net Cash Flow	\$ 0.28	\$ 58.59	\$ 10.45	\$ -	

CHAPTER 7. PUBLIC-PRIVATE PARTNERSHIP (P3) ASSESSMENT

INTRODUCTION

This chapter provides information on the process used to assess the appropriateness of a P3 to deliver the project.

P3 ASSESSMENT

The INDOT has evaluated alternative contracting methods permitted under current Indiana law. Such alternative delivery models are expected to enhance the feasibility of the project through accelerated project delivery; construction cost certainty; and the transfer of various risks to the private sector, such as design and construction risk. As a result, the project is not being procured as a P3.

LEGISLATIVE AUTHORITY

The P3 Program operates within the general legal framework set forth in the Indiana Code (IC). The INDOT has been granted legislative authority to procure P3 projects in Indiana. The statute providing authorization to procure P3 projects is IC 8-15.7. INDOT will lead the procurement and will be responsible for the technical aspects of P3 projects and will commit, where it is appropriate, its appropriations towards a project. The relevant statute allows for the development, financing, and operation of P3 projects.

INDIANA'S P3 MANAGEMENT STRUCTURE

Indiana has established itself as a national leader in using alternative delivery models to deliver major transportation infrastructure projects. The INDOT will be the procuring agency and will be responsible for the technical aspects of the procurement. INDOT has an established P3 Department that resides within the [Major Projects Delivery Division](#). Both the P3 Department and the Major Projects Delivery Division are responsible for delivering and overseeing P3s at INDOT.

BENEFITS – DISADVANTAGES COMPARISON

The Project is being procured using a DBLB delivery model and will be managed by INDOT. While P3s are not suitable for all projects, there are a few main benefits to P3s of all sizes and complexities. Using innovative project delivery models, such as P3s, to deliver and operate infrastructure projects have many benefits for INDOT including:

- **Accelerated project delivery:** An integrated consortium of qualified firms working concurrently on the design and construction of the project can accelerate project delivery. This process typically results in efficiencies and synergies for a more streamlined, accelerated delivery process.
- **Cost certainty and predictability:** INDOT's cost for the project was locked in at commercial close and is only subject to cost changes approved by INDOT. This provides more cost certainty when compared to traditional delivery. INDOT is able to better budget and allocate funding for other projects with the confidence that costs are less likely to increase.
- **Private sector innovation:** Innovative project delivery can be structured for multiple facets of the project to be coordinated and managed under a single entity and to enhance

collaboration between the design, and construction in the development of the project bid. The exchange of ideas between these parties can result in significant value engineering efficiencies and can help to avoid technical issues. Private entities are typically experienced in the design and construction of similar projects and are incentivized to use these efficiencies and economies of scale to achieve lower costs.

- **Performance-based incentives:** Financial incentives imposed by the contract structure, which include withholding a portion of payment to the DBC until the project has been constructed to the established standards and are sufficiently available for public use, act as a powerful motivator toward on-time completion and project delivery.
- **Improved accountability:** One party, the Preferred Proposer, is responsible for project delivery and operation regardless of the number of subcontractors. If the project is not delivered according to the contractual requirements, then the Preferred Proposer is responsible.

While there are benefits to innovative project delivery, there are also disadvantages that should be considered, including:

- **Longer procurement timeline:** Innovative project delivery requires extensive upfront negotiations of the PPA. The PPA governs rights and obligations associated with the asset for the length of the contract. As a result, the procurement timeline can take longer for innovative project delivery when compared to traditional delivery.
- **Paying a risk premium to transfer unknown risks upfront:** The P3 delivery model transfers many risks associated with project delivery to the private sector. This is done through performance-based agreements that lock-in project costs, at commercial close. Given the nature of these contracts, not all risks are fully known at the outset. Therefore, a private entity may build a “risk premium” into their proposal. Not unlike the purchase of insurance, this investment is made to help lock-in costs and mitigate exposure to certain risks for the public sponsor. These costs can be mitigated in part by robust competition between bidders.

RISK LOCATION ANALYSIS

INDOT employs a two-step screening process when assessing whether a project should be delivered using an alternative delivery model. During the initial project screening phase, INDOT reviews available project information and data and assesses the project against a set of screening criteria to determine the feasibility of delivering a proposed project via an alternative delivery method. Table 7-1 below summarizes criteria examined during the initial project screening phase. The primary screening criteria are merely a guide for assessment. A project that does not meet some or all the primary screening criteria may still advance to a secondary screening based on other considerations. Other unique characteristics of the project may require assessment of additional considerations.

TABLE 7-1. INDOT P3 SCREENING CRITERIA – STEP ONE

High Level Project Screening Criteria	
Project Complexity	Is the project sufficiently complex in terms of technical and/or financial requirements to effectively leverage private sector innovation and expertise?
Accelerating Project Development	If the required public funding is not currently available for the project, could using a P3 delivery method accelerate the delivery of the project?
Transportation Priorities	Is the project consistent with overall transportation objectives of the State?

High Level Project Screening Criteria	
	Does the project adequately address transportation needs?
Project Efficiencies	Would the P3 delivery method help foster efficiencies through the most appropriate transfer of risk over the project life cycle?
	Is there an opportunity to bundle projects or create economies of scale?
Ability to Transfer Risk	Would the P3 delivery method help transfer project risks and potential future responsibilities to the private sector on a long-term basis?
Funding Requirement	Does the project have revenue generation potential to partially offset the public funding requirement if necessary?
	Could a public agency pay for the project over time, such as through an availability payment, as opposed to paying for its entire costs up front?
Ability to Raise Capital	Would doing the project as a P3 help free up funds or leverage existing sources of funds for other transportation priorities with the State?

Projects that proceed to the second screening step undergo a detailed screening. The objective of the detail level project screening is to further assess delivering the project as a P3, examine in greater detail the current status of the project, and identify potential risk elements. In addition, the detail level project screening criteria evaluates the desirability and feasibility of delivering projects utilizing the P3 delivery method. The desirability evaluation includes factors such as effects on the public, market demand, and stakeholder support. The feasibility evaluation includes factors such as technical feasibility, financial feasibility, financial structure, and legal feasibility. INDOT will also begin to assess a timeline for achieving environmental approvals based on specific project criteria during this screening step. Detail level screening criteria are provided below in Figure 7-2.

TABLE 7-2. INDOT P3 SCREENING CRITERIA – STEP TWO

Detail Project Screening Criteria	
Public Need	Does the project address the needs of the local, regional, and state transportation plans, such as congestion relief, safety, new capacity, preservation of existing assets?
	Does the project support improving safety, reducing congestion, increasing capacity, providing accessibility, improving air quality, improving pedestrian biking facilities, and/or enhancing economic efficiency?
Public Benefits	Will this project bring a transportation benefit to the community, the region, and/or the state?
	Does the project help achieve performance, safety, mobility, or transportation demand management goals?
	Does this project enhance adjacent transportation facilities or other modes?
Economic Development	Will the project enhance the State's economic development efforts?
	Is the project critical to attracting or maintaining competitive industries and businesses to the region, consistent with stated objectives?
Market Demand	Does sufficient market appetite exist for the project? Are there ways to address industry concerns?
Stakeholder Support	What is the extent of support or opposition for the project? Does the proposed project demonstrate an understanding of the national and regional transportation issues and needs, as well as the impacts this project may have on those needs?
	What strategies are proposed to involve local, state and/or federal officials in developing this project?

Detail Project Screening Criteria	
	Has the project received approval in applicable local and/or regional plans and programs?
	Is the project consistent with federal agency programs or grants on transportation (FHWA, FTA, MARAD, FAA, FRA, etc.)?
Legislative Factors	Are there any legislative considerations that need to be considered such as tolling, user charges, or use of public funds?
	Is legislation needed to complete the project?
Technical Feasibility	Is the project described in sufficient detail to determine the type and size of the project, the location of the project, proposed interconnections with other transportation facilities, the communities that may be affected and alternatives that may need evaluation?
	Is the proposed schedule for project completion clearly outlined and feasible?
	Does the proposed design appear to be technically sound and consistent with the appropriate state and federal standards?
	Is the project consistent with applicable state and federal environmental statutes and regulations?
	Does the project identify the required permits and regulatory approvals and a reasonable plan and schedule for obtaining them?
	Does the project set forth the method by which utility relocations required for the transportation facility will be secured and by whom?
Financial Feasibility	Are there public funds required and, if so, are the State's financial responsibilities clearly stated?
	Is the preliminary financial plan feasible in that the sources of funding and financing can reasonably be expected to be obtained?
Project Risks	Are there any particular risks unique to the projects that have not been outlined above that could impair project viability?
	Are there any project risks proposed to be transferred to INDOT that are likely to be unacceptable?
Term	Does the project include a reasonable term of concession for proposed operation and maintenance?
	Is the proposed term consistent with market demand, providing a best value solution for the State?
	Is the proposed term optimal for a whole-of-life approach?

Using the aforementioned standard INDOT screening process it was determined that the Project is not a strong candidate for P3 delivery. Table 7-3 below provides additional considerations to the Project using the DBLB delivery model.

TABLE 7-3. REQUIRED PERMITS AND NOTIFICATIONS

Design-Build Project Considerations	
Technical Considerations	Considerations pertaining to project complexity, design, schedule acceleration, cost savings, and lifecycle performance and lifecycle cost objectives.
Market Considerations	Considerations pertaining to the market demand and market capacity and the marketability of the project to DB providers.
Resources and Capabilities	Considerations pertaining to INDOT's internal resources to deliver the project.

The qualitative and quantitative screening analyses indicated the project to be a strong candidate for DBLB delivery for the following reasons:

- The project is large and located in a high traffic volume area (with high truck traffic volume at about 40% of total traffic).
- An accelerated construction schedule would help to limit construction impacts to stakeholders and while addressing safety concerns during the construction period.
- Maintenance of traffic is a challenge; the multiple work types included in the project could benefit from a high level of multi-discipline coordination and integrated approach to construction sequencing.
- The project characteristics (size, high traffic volumes and truck traffic) are such that a performance-based contract would help to reduce the risk of change orders and cost overruns.
- The project size will be highly attractive to the region's larger players and is likely to attract a strong pool of bidders willing to bid under a DBLB model.

Therefore, the INDOT identified the DBLB alternative model as the preferred delivery model and proceeded with procuring the project on that basis.

MARKET CONDITIONS

The Project will not utilize funding outside of federal-aid and state transportation funds appropriated to INDOT as previously discussed in Chapter 5.

CHAPTER 8. RISK AND RESPONSE STRATEGIES

INTRODUCTION

This chapter addresses several important factors that could affect the Project and the financial plan for the Project. These risks fall under one or more of the following categories: Project Cost, Project Schedule, Financing, and Procurement. Significant consideration has been given to identifying risks and potential mitigation measures, and this chapter outlines these factors. Additionally, this chapter addresses the impact of the state’s financial contribution to the Project on its respective statewide transportation program.

PROJECT COST RISKS AND MITIGATION STRATEGIES

The following factors shown in Table 8-1 have been identified as possible reasons for cost overruns/cost changes.

TABLE 8-1. PROJECT COST – RISKS AND RESPONSE STRATEGIES

Risk	Mitigation Strategy	Likelihood of Occurrence	Impact of Occurrence
Original Cost Estimates			
The risk that original cost estimates are lower than bids received.	Recent US DBLB and P3 experience indicates that competition may result in aggressive bids below the state sponsor’s estimates. Regardless, the DBLB RFP requires that all bids come in at or below \$106 million. It is the expectation of the Project Sponsor that the planned DBLB procurement approach will help to accelerate project delivery and, in turn, reduce costs, which should help to maximize the scope delivered for the maximum \$106 million contract price.	Realized	2022 FPAU
		Low	Low
Inflation			
Highway construction inflation has been very volatile over the past several years and could significantly increase the cost of the Project.	Reasonable inflationary assumptions based on recent and historical trends in construction inflation have been included in current cost estimates. These estimates consider current low commodity prices and relatively high unemployment rates which are expected to result in favorable contract pricing.	Medium	Medium
Contingency			
The amount of contingency factored into Project cost estimates may be insufficient to cover unexpected costs or cost increases.	While petroleum prices have an inflationary risk, both a DBLB and a progress payment concession structure, as contemplated by the state, helps transfer much of this risk from the public to the private sector design-builder.	Realized	2022 FPAU
		High	Medium
Cost Overruns During Construction			
Cost overruns after start of construction could result in insufficient upfront funds to complete the project.	A DBLB or progress payment concession structure helps transfer much of this risk from the public to the private sector design-builder.	Realized	2022 FPAU
		Medium	Low
Materials Supply Chain			

Risk	Mitigation Strategy	Likelihood of Occurrence	Impact of Occurrence
Supply chain disruptions could delay completion of the project or increase the cost of materials.	Some manufacturing was halted due to the COVID-19 health crisis while others experienced historical labor shortages. The affects have disrupted a number of industry supply chains for materials and as result prices are volatile, and receipt of goods are not time guaranteed. Estimating has adjusted, as much as feasible, costs to keep up with current pricing on a variety of goods and services. Contract terms have been negotiated and/or set out further to allow more time where known, long lead times exist. These will provide for more accurate planning and procurement lead times.	High	Medium

2023 FINANCIAL PLAN UPDATE

Three Project costs risks have been realized since the IFP and a new risk added. The risks of cost estimates lower than bids received, contingency, and cost overruns during construction have contributed. The conditions anticipated in the response strategies have not resulted in favorable contract pricing. The construction contract was awarded at \$123.79 million, \$17.59 million more than the estimate. The main contributing factor behind this is a design change in some pavement work prior to the advertisement for letting. There was cost change processed just after contract award for changing the scope on the median/barrier work items of \$36.72 million. The reasons for this change are discussed in Chapters 10 and 11. Both of these changes consumed contingency and additional funds had to be requested from the INDOT Capital Program. The possibility remains that the costs will increase by amount and/or time.

The materials supply chain risk was added in the prior Update. This risk has the possibility of a ripple effect to both time and money. Certain goods are currently exhibiting extraordinarily long lead times due to the ongoing effects on supply chain disruptions from the COVID-19 health crisis. Other goods and services are noticing a trend toward pre-COVID stability.

The response strategies utilized to address these risks were adding the necessary funds to the Project. The information on the costs and estimate increases, along with what for, was assembled and sent to the INDOT Capital Program Management Group for vetting prior to allocating additional funds to the Project. The funding allocation request was approved after vetting the various components. Therefore, the original cost estimates, inflation, and contingency risks in Table 8-1 above were updated and continue to be relevant risks.

PROJECT SCHEDULE RISKS AND MITIGATION STRATEGIES

The following risks have been identified below in Table 8-2 as those that may affect Project schedule and, therefore, the ability of the Project Sponsor to deliver the Project on a timely basis.

TABLE 8-2. PROJECT SCHEDULE – RISKS AND RESPONSE STRATEGIES

Risk	Mitigation Strategy	Likelihood of Occurrence	Impact of Occurrence
Litigation		Retired; did not materialize.	
Permits and Approvals		Retired; did not materialize.	

Risk	Mitigation Strategy	Likelihood of Occurrence	Impact of Occurrence
Unanticipated Site Conditions			
Unanticipated geotechnical conditions could be encountered, potentially delaying the schedule, or increasing costs.	Geotechnical investigations have been conducted on the Project, and preliminary results do not indicate any significant problems.	Medium	Low
Endangered Species			
If endangered species (e.g., Indiana bat, Kirtland snake, mussels, etc.) are encountered, construction work may be disrupted, leading to schedule delays and/or additional costs.	Mitigation is an established process that minimizes delay with dedicated staffing to address surprise findings. Similar mitigation has been used on four previous corridor projects successfully to avoid construction delays.	Low	Low
Hazardous Materials			
Both known and unknown hazardous materials could delay the Project and/or lead to additional costs.	Investigations have been conducted on identified sites and preliminary results do not indicate any significant problems.	Low	Medium
Schedule Coordination			
Due to the size and complexity of the Project, poor project scheduling and coordination could delay the Project schedule.	The guaranteed maximum price design-build contract structure helps transfer much of this risk from the public to the private sector design-builder.	Medium	High
Maintenance of Traffic			
Traffic impacts and loss of access could adversely affect communities / businesses, negatively impacting support for project.	A detailed maintenance of traffic (MOT) plan will be required of the design- builder. The Design-Build Contractor is required to prepare, submit, and follow through on a Public Involvement Plan that provides INDOT regular updates on road closures and restrictions, notification of emergency events, coordinating and staffing public meetings, and providing informational maps or displays, as needed.	High	Medium
Project Start-up/Execution		Retired; did not materialize.	
Materials Supply Chain		Realized	FPAU 2023
Supply chain disruptions could delay completion of the project or increase the cost of materials.	Some manufacturing was halted due to the COVID-19 health crisis while others experienced historical labor shortages. The affects have disrupted a number of industry supply chains for materials and as result prices are volatile, and receipt of goods are not time guaranteed. Longer than normal advertisement periods are scheduled for the lettings as well as the Project broken into to sequenced contracts. This will provide for longer planning and procurement lead times.	High	Medium

2023 FINANCIAL PLAN UPDATE

The Project schedule risk of materials supply chain have been realized since the prior Update. Regional supply issues with cement have resulted in fifteen months of additional time to complete the Project. These changes are discussed further in Chapters 12 and 13.

FINANCING RISKS AND MITIGATION STRATEGIES

Table 8-3 below discusses risks that may negatively affect the Project Sponsor’s ability to fund the Project cost effectively. For each risk, this table provides a summary of potential mitigation strategies.

TABLE 8-3 FINANCING AND REVENUE – RISKS AND RESPONSE STRATEGIES

Risk	Mitigation Strategy	Likelihood of Occurrence	Impact of Occurrence
Availability of State and Federal Funding			
The state has identified and committed various levels of conventional funding for the Project within the timeframe of its budget planning cycle. Funding beyond this period is subject to appropriation risk.	Within procedural limitations, the state has demonstrated a strong commitment to ensuring that the Project is delivered given the investment of funds to date. INDOT has included the Project in its internal budgeting and financial control systems at the requisite funding levels. In addition, all anticipated funding amounts are reflected in Indiana’s fiscally constrained STIP and the TIP for the metropolitan region.	Low	Medium

2023 FINANCIAL PLAN UPDATE

This Update has no change in the financing and revenue risks and response since the IFP.

PROCUREMENT RISKS AND STRATEGIES

The risks shown below in Table 8-4 may affect the Project Sponsor’s ability to implement the Project due to risks associated with the procurement of the Project through a DBLB procurement model utilizing a PPA.

TABLE 8-4. PROCUREMENT – RISKS AND RESPONSE STRATEGIES

Risk	Mitigation Strategy	Likelihood of Occurrence	Impact of Occurrence
Delay in Procurement		Retired; did not materialize	

2023 FINANCIAL PLAN UPDATE

The procurement risk has been retired as it did not materialize.

IMPACT ON STATEWIDE TRANSPORTATION PROGRAM

Indiana has provided funding for the Project through a combination of state and federal funding, including the Project in the State’s capital program. Indiana will continue to make specific financial commitments to the Project based on its standard budget procedures and in accordance with the [STIP](#), which considers the needs of the overall transportation program and other projects throughout the State. In addition to being reflected in internal budget and financial control systems, all anticipated funding amounts are reflected in the [STIP](#), as well as the [Indianapolis Area MPO TIP](#).

CHAPTER 9. ANNUAL UPDATE CYCLE

INTRODUCTION

This chapter addresses the annual reporting period for the data reported in the Annual Update to the Financial Plan.

FUTURE UPDATES

The effective date for this FPAU is June 30, 2023. Future updates will be submitted to FHWA by September 30 each year.

CHAPTER 10. SUMMARY OF COST CHANGES SINCE LAST YEAR'S FINANCIAL PLAN

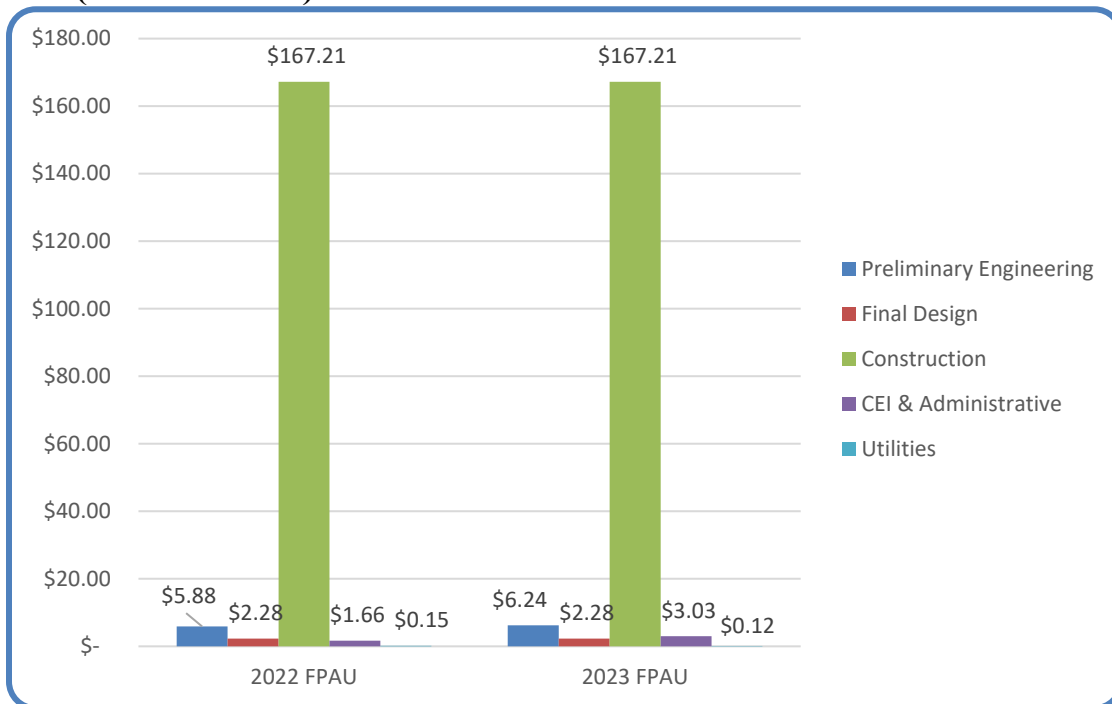
INTRODUCTION

This chapter addresses the changes that have reduced or increased the cost of the Project since last year's financial plan, the primary reason(s) for the changes, and actions taken to monitor and control cost growth.

Since the prior FPAU, the Project has realized costs increases as previously mentioned and shown in Figure 10-1.

- PE – increase from additional professional services for construction and post construction design work,
- CEI – increase from additional on-call construction inspection services.

FIGURE 10-1. COST ESTIMATE COMPARISON BY ACTIVITY TO THE PRIOR UPDATE (IN \$ MILLIONS)



The actions taken to monitor, and control cost growth include vetting all requested changes internally between the Project team and the respective Department. Items considered are cost, added value, short and long-term maintenance impacts, impacts to Project schedule, and ability to be implemented. The Project team will look for duplications of efforts and items to control cost growth. All consulting agreements and amendments are negotiated by INDOT's Professional Services Department.

CHAPTER 11. COST AND FUNDING TRENDS SINCE THE INITIAL FINANCIAL PLAN

INTRODUCTION

This chapter addresses the trends that have impacted project costs and funding since the IFP, the probable reasons for these trends and the implications for the remainder of the Project.

Since the IFP, the Project has realized a \$68.7 million increase, 62.4% of the IFP presented costs, as shown below in Table 11-1, in costs and funding. This increase is due to the award of the construction contract (\$12.87 million) where pavement rehab was changed to replacement, cost increase for CN (\$36.72 million), design refinements for a wider shoulder (\$10 million) and median shoulder replacement (\$3.7 million). Additional PE costs/funding are from proposer stipends to those that were not selected (\$0.36 million), subsurface utility engineering services (\$0.13 million), environmental mitigation credits (\$1.95 million), and additional design professional services (\$0.4 million). Further, CEI services costs/funding increased (\$2.49 million) and utilities added to address two conflicts found (\$0.12 million).

TABLE 11-1. COST ESTIMATE COMPARISON BY FINANCIAL PLAN (IN \$ MILLIONS)

Phase	IFP	2023 FPAU	\$ Change from IFP	% Change from IFP
Preliminary Engineering	\$ 3.44	\$ 6.24	\$ 2.80	81.4%
Final Design	\$ 2.28	\$ 2.28	\$ -	0.0%
Construction	\$ 103.93	\$ 167.21	\$ 63.29	60.9%
CEI & Administrative	\$ 0.53	\$ 3.03	\$ 2.49	469.7%
Utilities	\$ -	\$ 0.12	\$ 0.12	100.0%
Project Total	\$ 110.18	\$ 178.87	\$ 68.70	62.4%

The scope has changed due to constructability issues. The portions of the eastbound and westbound pavement between County Road 700 W and Sugar Creek which were planned to be patched will now be replaced. As design has progressed, it was found proper roadway cross slope could not be constructed with patching. The original scope for the project included widening the project segment of roadway from two to three lanes in each direction (including widening of 6 mainline bridges to accommodate the addition of a travel lane in each direction), replacing existing westbound lanes between Mt. Comfort Road and Sugar Creek, a functional 4-inch mill and resurface between Sugar Creek and State Road 9, and rebuilding the I-70 approach ramp west of Mt Comfort Road.

Design refinements have changed project cost in the following areas:

- The existing pavement will be rehabilitated with a 2-inch mill and resurface between Sugar Creek and State Road 9 instead of the proposed 4-inch mill and resurface. This scope change is due to the pavement being in better condition than was known at the time of the application.
- In order to meet current design standards for the interchange modernization at Mount Comfort Road, the project limits were extended west under CR 700. The conflict between the new geometry of the ramps and existing CR 700 overpass results in the need to replace the CR 700 bridge and approaches. Similarly, conflicts will require the ITS tower

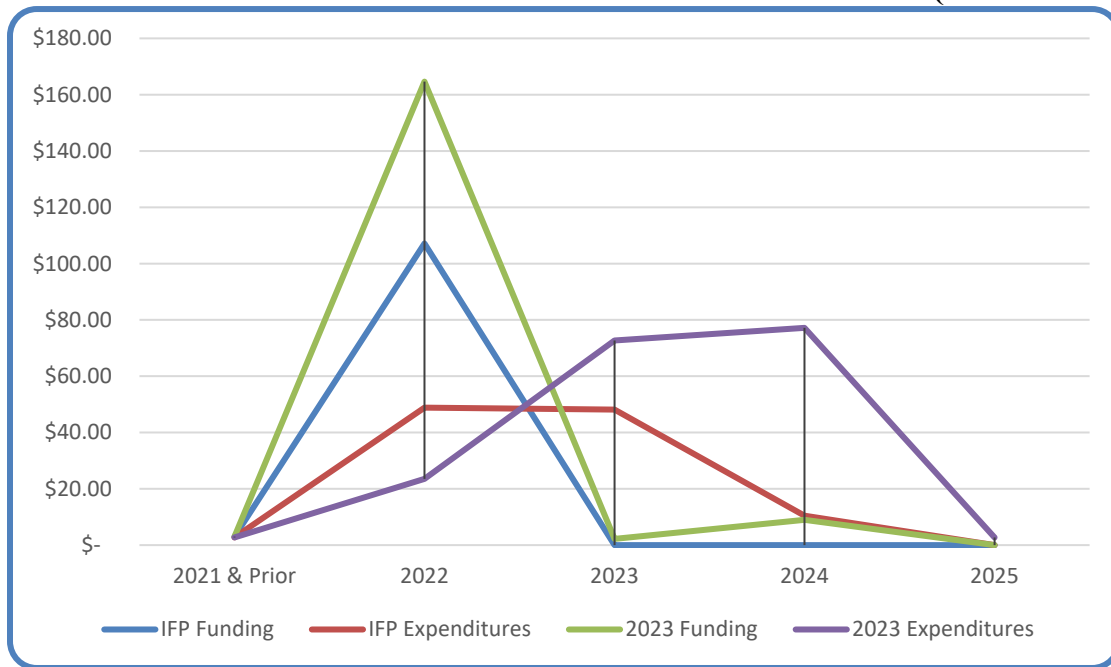
at CR 700 to be relocated. Additional work includes replacement of the outside lane and shoulder between CR 700 Bridge and Mt Comfort interchange due to deteriorated pavement conditions.

- The eastern project limits were extended approximately 1.1 miles to drop the added travel lane to match the existing two-lane conditions, address interchange geometric deficiencies and improve pavement conditions. To accomplish this, the following scope additions include replacement of existing pavement from SR 9 to Brandywine creek, widening and overlay of the bridges over Brandywine creek.
- As design has progressed, additional work has been identified to complete the intent of the original scope. A median barrier will be needed to maintain safe separation of eastbound and westbound traffic. This has resulted in the need to retrofit the median underdrains. The added travel lanes result in reasonable and feasible mitigation which is installation of a noise wall adjacent to Heartland Resort.

The increases in PE, CEI and utilities are reflective of Project necessities funded post IFP.

The trend has been cost escalation with obligations outpacing expenditures resulting in carryover obligations/funding, moving forward to expend. The implications for the remainder of the Project are increased Project costs, although not anticipated to surpass any typical threshold. Funding of these changes are anticipated to come from the INDOT’s overall fiscal year contingency for CN from the Capital Program. These changes are reflected below in Figure 11-1 and illustrates the growth trend realized on the Project since the IFP by SFY.

FIGURE 11-1. FUNDING & EXPENDITURES COMPARISON BY SFY (IN \$ MILLIONS)



Cost changes for construction are summarized in Table 11-2 below. As illustrated, there have been eight changes since contract award. These cost changes represent additional work and/or inclusion of items not previously identified and/or included in the contract’s schedule of pay items. Not all executed cost changes are funded. Any pending or draft cost changes have not been funded.

TABLE 11-2. SUMMARY OF CONSTRUCTION COST CHANGES (IN \$ MILLIONS)

Item	Description	Status	Schedule Impact	Amount	% of CN Award
Pre-Construction Changes					
000	Pavement Rehab change to Replacement	Executed	None	\$ 12.87	10.4%
001	Eastbound Shoulder Widening Additional 2'	Executed	None	\$ 10.00	8.1%
002	Additional Median Shoulder Replacement	Executed	None	\$ 3.70	3.0%
Construction Cost Changes					
001	Concrete Center Median Barrier Wall	Executed	241 days	\$ 36.72	29.7%
002	Specifications change	Executed	None	\$ -	0.0%
003	Design Exception Denied Design Build	Executed	None	\$ -	0.0%
004	AWIS Extension Automated Work Zone Info System & Temporary Buzz Strips	Executed	None	\$ 0.20	0.2%
005	Slope Wall Remove and Place Riprap	Executed	None	\$ 0.02	0.0%
006	Elimination of Hydro Demolition	Executed	None	\$ (0.09)	-0.1%
007	SUE Data Collection	Executed	None	\$ 0.07	0.1%
008	Foundation Improvements Cement Stabilization of Foundation Soil	Executed	None	\$ 0.33	0.3%
Total				\$ 63.80	51.5%

CHAPTER 12. SUMMARY OF SCHEDULE CHANGES SINCE LAST YEAR'S FINANCIAL PLAN

INTRODUCTION

This chapter addresses the changes that have caused the completion date for the Project to change since the last financial plan, the primary reason(s) for the change, actions taken to monitor and control schedule growth, and any scope changes that have contributed to this change.

The Project's schedule changes since the prior Update are directly attributable to regional cement supply issues. The completion date has been extended by fifteen months (includes about four months of winter timeframe where cement work would not be occurring) to allow the DBC adequate time to complete the Project give the constraints of obtaining cement when needed and quantity needed. The scope change on the median barrier wall change (cost change 001) contributed to the need for additional cement on this Project.

The actions taken to monitor and control schedule growth include utilizing the critical path method (CPM) scheduling with recurring reviews between the DBC and INDOT.

CHAPTER 13. SCHEDULE TRENDS SINCE THE INITIAL FINANCIAL PLAN

INTRODUCTION

This chapter addresses the trends that have impacted the Project schedule since the IFP, the probable reasons for these trends, and the implications for the remainder of the Project.

The Project's schedule trends since the IFP have grown due design/scope changes and supply chain issues. The largest changes with the substantial completion date are from cement supply issues (fifteen months) and to incorporate scope change for the concrete median/barrier of eight (8) months. The implications for the remainder of the Project are that it is likely more time will be necessary to complete the Project. This implication should be minimal now that design is complete and questionable items have been vetted.

The Project's schedule changes since the IFP have been directly related to design/scope changes. The letting moved out one month from September to October 2021. It was determined within a few weeks of advertisement for the letting that some of the work items for pavement rehab needed changed to pavement replacement. This change was necessary to address design inadequacies. The original scope called for pavement rehab of the shoulder adjacent to travel lanes on one side where pavement was to be replaced.

The contract's completion date extended to 11/30/2025 to incorporate the concrete median barrier scope change into the contract and consideration for cement supply issues. The original scope was for a double guardrail with aggregate median. This change is due to INDOT policy to improve safety and decrease life-cycle costs. No additional changes to schedule for shoulder extension or additional replacement of median shoulder.

The CPM scheduling for CN contracts with monthly reviews between the DBC and INDOT are utilized to monitor and control schedule growth.