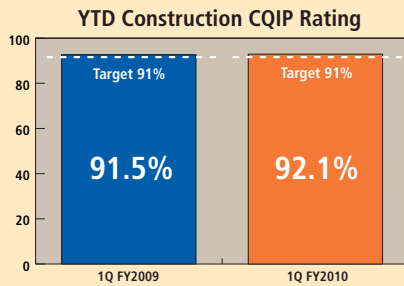




Grundy Relocation Project Advances – VDOT, Congressman Rick Boucher, the U.S. Army Corps of Engineers and the Town of Grundy marked a major milestone in the Town of Grundy’s redevelopment on Aug. 11. VDOT relocated and widened Route 460 through this Bristol District town along the Levisa River, while the Corps installed large floodgates along Slate Creek to protect downtown businesses.

The VDOT contractor completed this road project on time and about \$455,000 under the contracted budget of \$24.2 million. VDOT continues to widen sections of Route 460 in and around Grundy in Buchanan County.

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 for the first quarter of both years surpassed the 91 percent target, with FY 2009 achieving 91.5 percent and FY 2010 attaining a 92.1 percent rating.

OVERVIEW

Virginia continues to make tough decisions as it faces unprecedented revenue shortfalls – requiring cuts to both services and programs. Despite these challenges, the Virginia Department of Transportation (VDOT) continues to make progress to position the agency for the future.

For only the second time in our history, VDOT met or exceeded all on-time and on-budget performance goals in Fiscal Year (FY) 2009. The same level of performance continued through the first quarter of FY 2010. As our record shows, we still commit to deliver good value for taxpayer investments and provide the nation’s safest possible transportation system.

VDOT is working diligently to invest the nearly \$695 million in highway funding we received under the American Recovery and Reinvestment Act (ARRA). Authorizing in-house approval of projects with bids that fall within the construction estimate will greatly speed the flow of money back into our economy, while allowing VDOT to repair pavements and bridges and address vital capacity improvements. To date, 195 ARRA

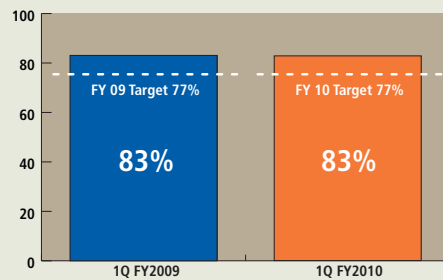
highway and rail projects, worth \$257.3 million, have been awarded.

Last quarter, VDOT completed the second stage of its Blueprint for Our Future staff reductions as we work toward the state’s target of 7,500 full-time employees. During this stage, 529 staff left the agency. On a positive note, we placed 90 percent of employees who received layoff notices and who requested placement into needed vacant positions. VDOT retains their expertise, and valued people remain employed. We continue to implement the Blueprint’s final phases, focusing now on the third stage of staff reductions.

State revenue shortfalls again have prompted VDOT to cut nearly \$900 million in transportation spending, another \$136 million of this deficit coming out of the FY 2010 budget. Though the decisions in these last months and years have been difficult, VDOT continues to be a leader among state transportation agencies and makes needed adjustments as it becomes more efficient and focused.

David S. Ekern, P.E.
Commissioner

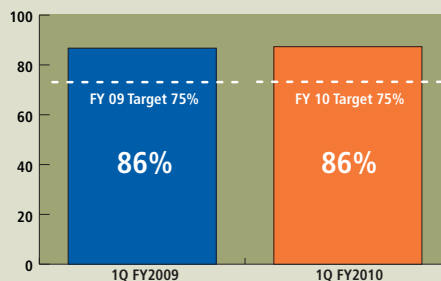
ALL CONTRACTS COMPLETED BOTH ON TIME AND WITHIN BUDGET



58 construction and maintenance contracts were due for completion by period-end. Of those 58 contracts, 48 (82.8 percent) were completed both on time and within budget.

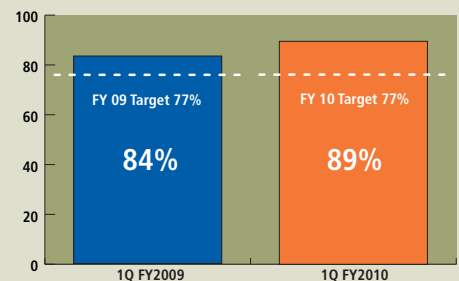
SCHEDULED CONTRACTS COMPLETED ON TIME

CONSTRUCTION ON TIME PERFORMANCE



22 construction contracts were due for completion by period-end. Of those 22 contracts, 19 (86.4 percent) were completed on time.

MAINTENANCE ON TIME PERFORMANCE



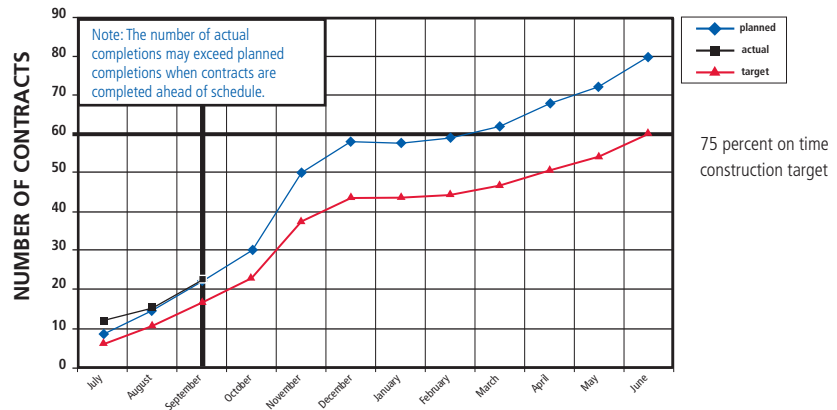
36 maintenance contracts were due for completion by period-end. Of those 36 contracts, 32 (88.9 percent) were completed on time.

QUARTERLY NOTES

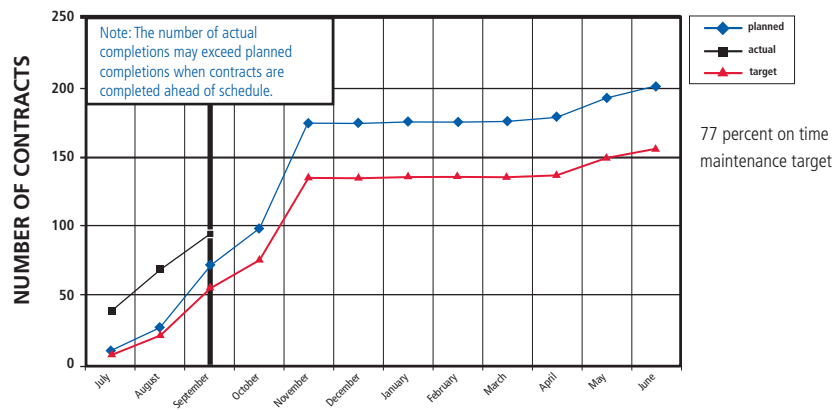
- Hampton Roads PPTA Project Advances** – Commissioner Ekern approved moving forward on the conceptual proposal for the Downtown Tunnel/Midtown Tunnel/MLK Extension Public-Private Transportation Act (PPTA) project and directed staff to begin negotiations for an interim agreement with Elizabeth River Crossings, LLC (ERC), allowing VDOT and ERC to work together on the next procurement phase. The project would increase capacity, reduce congestion and provide safer travel between Norfolk and Portsmouth.
- Two Northern Virginia Projects Completed** – The \$35 million extension of the Battlefield Parkway in Leesburg finished on time (in less than 20 months) and under budget. This new section provides motorists an alternative to Route 15 and the Route 15 Bypass to the Dulles Greenway and the Leesburg Airport. Additionally, the last and largest of four roundabouts in Gilberts Corners in Loudoun County opened six weeks early. Part of the larger Route 50 traffic-calming project, this \$15.8 million project will improve traffic flow at the intersection of routes 15 and 50.
- New Bridge Opens in Staunton District** – VDOT marked the opening of the new North Fork Bridge on Route 340/522 in Warren County near Front Royal. The new five-lane bridge has sidewalks and bike lanes. The project came in on time and on budget with a contract value for the construction of \$19.2 million.
- Increasing Business Accessibility** – VDOT began offering live online streaming video of the agency's public construction and maintenance contract bid letting in July. This allows interested bidders, contractors, suppliers and others to witness bid openings from their computers, saving time and reducing travel and congestion costs. VDOT also began providing audio recordings of CTB meetings as podcasts on the iTunes platform.
- VTRC Findings Influence National Transportation Policy Conference** – Research Council and Knowledge Management made a significant contribution to the direction of the nation's transportation policy when they produced the background report for the David R. Goode National Transportation Policy Conference at the University of Virginia's Miller Center of Public Affairs. Secretary of Transportation Pierce Homer and Gary Allen, chief of technology, research and innovation, were invited participants. Former Gov. Gerald Baliles chairs the Miller Center.
- Safety Engineer Receives National Recognition** – VDOT's "Construction Lessons Learned" program received AASHTO's Bronze Trailblazer Award, based on the Baldrige National Quality Program's Criteria for Performance Excellence. Ning Li, P.E., senior highway safety engineer, won the 2009 Institute of Transportation Engineers (ITE) Past Presidents' Award for Merit in Transportation for his paper titled "Improving Data Accuracy of Roadway Departure Crashes: Virginia Practice and its National Implications."

FIRST QUARTER FISCAL YEAR 2010 PERFORMANCE

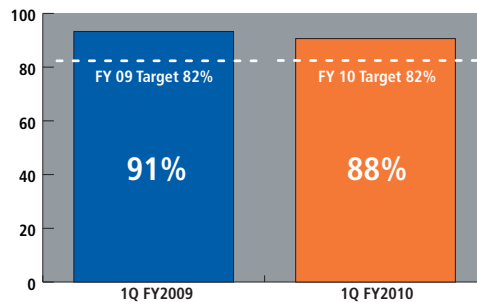
FY 2010 CONSTRUCTION CONTRACTS COMPLETED ON TIME



FY 2010 MAINTENANCE CONTRACTS COMPLETED ON TIME

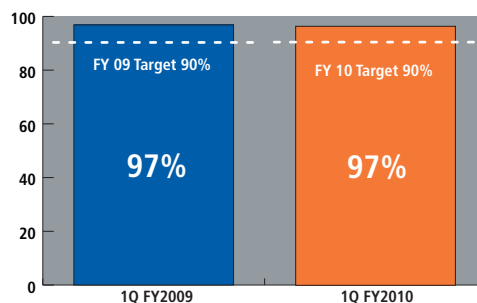


CONSTRUCTION CONTRACTS COMPLETED WITHIN BUDGET



24 construction contracts were actually completed by period-end. Of those 24 contracts, 21 (87.5 percent) were completed within budget.

MAINTENANCE CONTRACTS COMPLETED WITHIN BUDGET



99 maintenance contracts were actually completed by period-end. Of those 99 contracts, 96 (97.0 percent) were completed within budget.