

COLORADO BRIDGE ENTERPRISE

Memorandum

Colorado Bridge Enterprise
4201 East Arkansas Avenue
Denver, Colorado 80222

DATE: April 5, 2013
TO: Bridge Enterprise Board of Directors
FROM: Ben Stein, CDOT/CBE Chief Financial Officer
SUBJECT: Bond Program Update

The \$300M Bond Program Allocation Plan was updated for work complete through Q2 FY2013 and the current bond program:

- Addresses 88 projects; 55 projects are fully funded for completion and 33 projects are partially funded and will require alternative funding to complete.
- The total estimated cost to complete all 88 projects is approximately \$716.9M.

Based upon projected total estimated costs at \$716.9M, the program is forecasting a \$338.7M funding short-fall (future bond issuance and/or FASTER pay-go funding) for completing all 88 bridges as itemized below.

Bond	\$298.0M
Other Funding (BoA Loan, BR, FASTER pay-go)	\$80.2M
Future bond Issuance and/or FASTER pay-go	\$338.7M
Estimated Program Cost (88 bridges)	\$716.9M

The tax laws related to the bonds require that 85% of the bond proceeds (or \$255.0M) be spent within three years of receipt. For planning purposes, bond proceeds were received January 1, 2011 and the three year period extends through December 31, 2013. The current allocation plan update indicates that the program is projecting to expend \$249.1M by year-end; a forecasted \$5.9M deficit.

The following documents will be presented and discussed at the April Board meeting:

- \$300M Bond Program Plan: Q2 FY2013 Quarterly Draw Down Table (Lag 90 days)
- Q1 FY2013 vs. Q2 FY2013 – Forecast 85% Bond Spending w/ Adjustment Modifiers
- Total Bond Program Encumbrance; Q2 FY2013 Bond Program Allocation Plan
- Bond Program Current Spending Initiatives / Issues

Note – there has been and will continue to be fluctuations in both cost and delivery schedules. Project budgets are refined and updated as work scope is further defined and projects go to bid, and their respective project construction schedules are synced-up with the contractor schedule. In addition, this assumes a spend rate based upon an SPI of 1.0.

\$300M Bond Program Plan: Q2 FY 2013

Lag 90 days

		Data w/out Inflationary Rates Applied		
Calendar Year	Quarter	Cost	Cumulative Cost	Funds Remaining
2011	Q1	\$ 436,939	\$ 436,939	\$ 297,563,061
	Q2	\$ 3,173,903	\$ 3,610,842	\$ 294,389,158
	Q3	\$ 3,036,370	\$ 6,647,212	\$ 291,352,788
	Q4	\$ 15,727,273	\$ 22,374,485	\$ 275,625,515
2012	Q1	\$ 11,556,164	\$ 33,930,649	\$ 264,069,351
	Q2	\$ 27,593,064	\$ 61,523,713	\$ 236,476,287
	Q3	\$ 18,452,249	\$ 79,975,962	\$ 218,024,038
	Q4	\$ 29,754,807	\$ 109,730,769	\$ 188,269,231
2013	Q1	\$ 56,099,241	\$ 165,830,010	\$ 132,169,990
	Q2	\$ 51,491,921	\$ 217,321,931	\$ 80,678,069
	Q3	\$ 54,487,790	\$ 271,809,721	\$ 26,190,279
	Q4	\$ 51,890,703	\$ 323,700,424	\$ (25,700,424)
2014	Q1	\$ 34,849,462	\$ 358,549,886	
	Q2	\$ 31,518,187	\$ 390,068,073	
	Q3	\$ 34,687,750	\$ 424,755,823	
	Q4	\$ 32,719,956	\$ 457,475,780	
2015	Q1	\$ 31,178,877	\$ 488,654,656	
	Q2	\$ 29,844,559	\$ 518,499,216	
	Q3	\$ 24,896,388	\$ 543,395,604	
	Q4	\$ 21,256,759	\$ 564,652,363	
2016	Q1	\$ 13,910,911	\$ 578,563,273	
	Q2	\$ 10,217,647	\$ 588,780,920	
	Q3	\$ 10,703,447	\$ 599,484,367	
	Q4	\$ 10,703,447	\$ 610,187,814	
2017	Q1	\$ 8,108,528	\$ 618,296,342	
	Q2	\$ 6,994,572	\$ 625,290,915	
	Q3	\$ 7,071,436	\$ 632,362,350	
	Q4	\$ 4,348,099	\$ 636,710,449	
Grand Total		\$ 636,710,449	\$ 636,710,449	

Colorado Bridge Enterprise
 Q1 FY2013 vs. Q2 FY2013 - Forecast 85% Bond Spending
 w/ Adjustment Modifiers

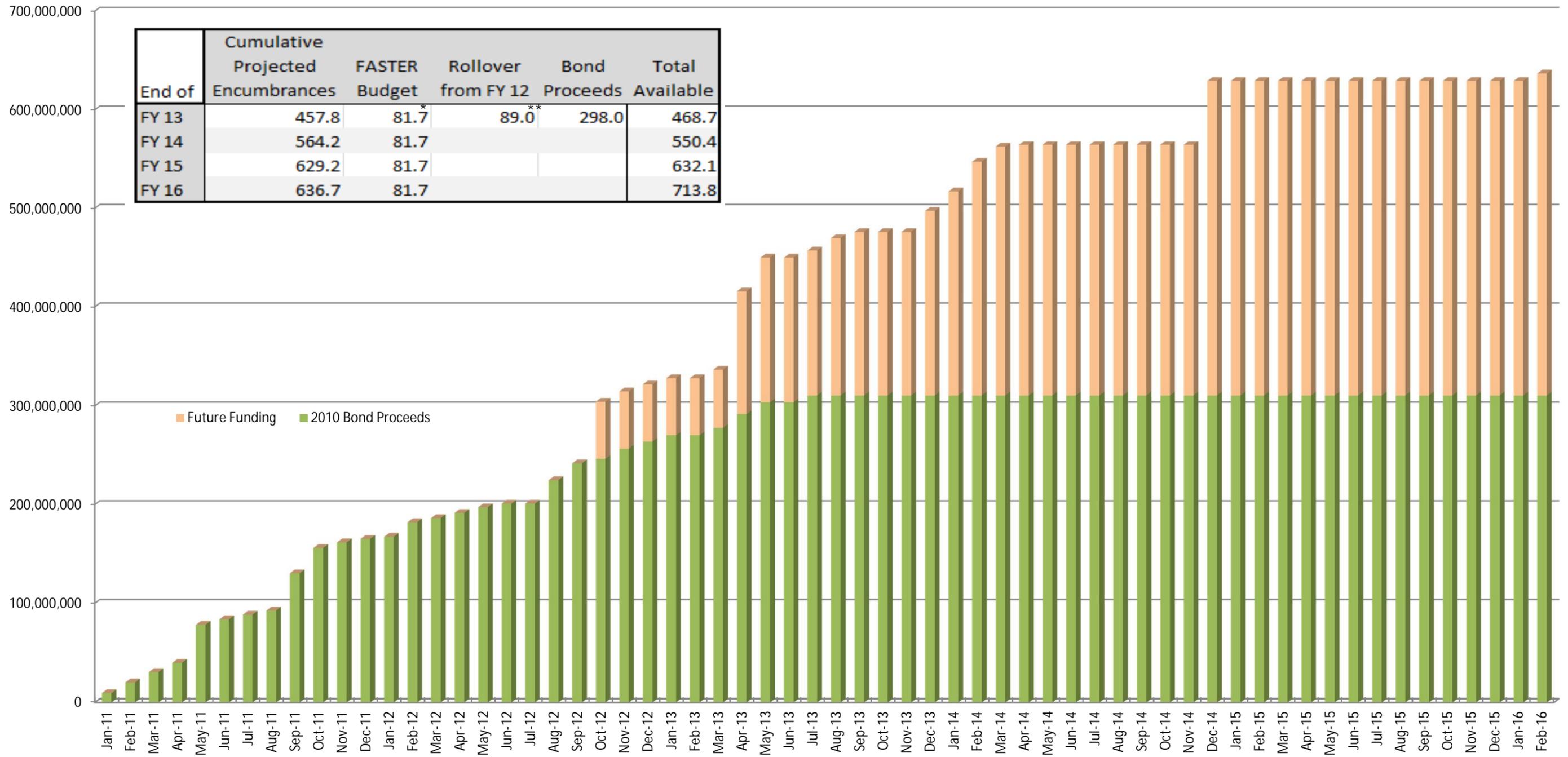
All Projects \$300M Bond Program		Q1 FY2013	Q2 FY2013	
Q4 Calendar Year 2013		\$ 332,416,509	\$ 323,700,424	
Projects over-budgeted at 10%		\$ 33,241,651	\$ 32,370,042	
	subtotal	\$ 299,174,858	\$ 291,330,382	
Program Delivery Efficiency at 10% (SPI = 0.90)		\$ 29,917,486	\$ 29,133,038	
	subtotal	\$ 269,257,372	\$ 262,197,343	
Project Close-out at 5%		\$ 13,462,869	\$ 13,109,867	
	Total	\$ 255,794,504	\$ 249,087,476	
			\$ 5,912,524	Forecasted Deficit

Actual Spending				
Spending Goal		\$ 255,000,000	\$ 255,000,000	
Actual Expenditure (December 31, 2012)		\$ 109,700,000	\$ 125,700,000	Actual end of February
	Subtotal	\$ 145,300,000	\$ 129,300,000	

Required Monthly Bond Spending per Month	\$ 12,108,333	\$ 12,930,000
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Total Bond Program Encumbrance

Q2 FY2013 Bond Program Allocation Plan



* FY 2013 FASTER Bridge Enterprise budget revenues less expenditures.
 ** Rollover FY2012 to FY2013.

Bond Program Current Spending Initiatives / Issues

Other Potential Funding Opportunities

- I-70 East EIS; elevated viaduct portion \$250K/month at 7 months = \$1.75M
- I-25 over Santa Fe Project; unfunded BE eligible work scope = \$4M
- Initiate Design(s); shelf construction project(s) = \$1.1M

Initiatives

- Continue to update and advise senior CDOT HQ staff and RTD's on projected expenditures
 - Monthly Chief Engineers/RTD and program engineer's meeting
 - Bi-weekly CBE progress meeting
- Conducting thorough examination of projected start / finish dates and project budgets to confirm confidence level on completing projects as planned.
 - Instructed project teams to ensure contractors hold forecasted completion dates
 - Region 6 project reviews on April 2nd (completed)
 - Region 2 on April 11th
- Informed Regions / project teams that it's acceptable for CDOT / consultant staff to work requisite OT to support aggressive contractor completion schedules.
- Using A+B and Incentive / Disincentive contract provisions to ensure projects (that can) will be completed by December 2013
 - Region 6 Peoria over I-76
 - Region 2 projects (noted below)
- Continue to aggressively deprogram unspent bond dollars and reprogram into other work
- Continue to examine other FASTER eligible bridges for inclusion into the program; contingent on ability to expand a material amount of bond proceeds by year-end
 - I-70 over Havana Design/Build project; \$15.6M total project cost
 - 6th Ave over Garrison; \$12M total project cost
 - Region 2 projects M-16-P, N-17-C and P-23-A; \$7.2M total project cost
- Continue to conduct monthly SCCB meetings to review projects with SPI < 0.90 to identify issues influencing project delivery and recovery plan
- Increase Trustee payment frequency; December (twice monthly)
- Report forecasted bond spending monthly through year end (see attached schedule)

Projects that may Experience Delays

- Region 2
 - Ilex D/B; \$4.1M projected to be expanded by year end
 - Northern and Indiana D/B; \$1.15M to be expanded by year end
- Region 6
 - Arapahoe over Cherry Creek; \$2.0M projected to be expanded by year end
 - I-70 over Havana St. D/B; \$5.0M projected to be expanded by year end

Bond Program Current Spending Initiatives / Issues

Month End 2013	Financial Information Available (+/- 4 week lag to post)	Program Reporting
March	4 th week of April	May 10 th
April	4 th week of May	June 14 th
May	end of June	July 12 th
June	end of July	August 16 th
July	end of August	September 13 th
August	end of September	October 11 th
September	end of October	November 8 th
October	end of November	December 13 th
November	end of December	Continue with Financial Reporting; refocus on FASTER revenues commensurate with program scope
December	end of January 2014	Continue with Financial Reporting; refocus on FASTER revenues commensurate with program scope