U.S. Department of Transportation
Federal Highway Administration

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575 North Pennsylvania Street, Rm 254
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July 30, 2026

In Reply Refer To:
HDA-IN

Ms. Sarah Bump
Chief Financial Officer, Deputy Commissioner
Indiana Department of Transportation
100 N. Senate Avenue
Indianapolis, Indiana 46204

Dear Ms. Bump,

The Federal Highway Administration (FHWA) Indiana Division has reviewed the 2026 Finance Plan Annual Update (FPAU) for the REVIVE I-70 Project, dated July 28, 2026, as submitted by the Indiana Department of Transportation (INDOT).

The total project cost, in year-of-expenditure dollars, is now estimated at $710.83 million, an increase of $3.99 million (0.56%) from last year's estimate of $706.84 million.

The substantial completion date has been extended by approximately six months and two weeks to allow for additional internal review and refinement of the scope of services for Contract 3, consistent with the Agency's fiscal constraints.

The increase in the project cost estimate is primarily attributable to additional right-of-way (ROW) acquisition, expanded structural member fabrication inspection and pile testing services, utility conflicts and associated relocations, and additional railroad (RR) coordination and services.

The purpose of FHWA’s review is to ensure compliance with FHWA Financial Plan Guidance. Based on our evaluation, the FHWA Indiana Division has determined that the 2026 FPAU satisfies all requirements of the December 2014 MAP-21 Major Project Financial Plan Guidance. Accordingly, the 2026 FPAU is approved.

The next FPAU should be prepared as of April 20, 2027, and submitted to FHWA no later than July 31, 2027. In addition, all lessons learned should be documented and submitted as they become available.

If you have any questions regarding this approval, please contact Ting Nahrwold at the FHWA Indiana Division Office at (317) 226-6509.

Sincerely,

Christopher J. Hall
Interim Division Administrator
FHWA Indiana Division

cc: Nathan Riggs, INDOT
Brad Rood, INDOT

INDIANA DEPARTMENT OF TRANSPORTATION

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**Mike Braun, Governor**
**Lyndsay Quist, Commissioner**

July 28, 2026

Christopher Hall
Interim Division Administrator
FHWA Indiana Division
575 N Pennsylvania St., Room 254
Indianapolis, IN 46204

Subject: Revive I-70 Financial Plan Annual Update Letter of Certification

Dear Mr. Hall:

The Indiana Department of Transportation has developed a comprehensive final Financial Plan Annual Update for the Revive I-70 Project in accordance with the requirements of 23 U.S.C. §106 and the Financial Plan guidance issued by the Federal Highway Administration 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 final Financial Plan Annual Update as submitted herewith, fairly, and accurately presents the financial position of the Revive I-70 Project, cash flows, and expected conditions for the project's life cycle. The cost data in the Financial Plan provides an accurate accounting of the costs incurred to date. The financial forecasts are based on engineer's estimates, expected construction cost escalation factors, our judgment of the expected project conditions, and our expected course of action. Estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables and represent realistic estimates of the resources available to fund the project as described.

Further, we have made available all significant information that we believe is relevant to the final Financial Plan Annual Update and, to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

Sincerely,

Sarah Bump
CFO, Deputy Commissioner - Finance
Indiana Department of Transportation

# REVIVE I-70

# 2026 Financial Plan Annual Update

**May 2026***

*Project cost estimates and completion schedules reflect information available as of April 30, 2026.

Submitted to:
**Federal Highway Administration**

Submitted by:
**Indiana Department of Transportation**

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# CHAPTER 1. PROJECT DESCRIPTION

## INTRODUCTION

This document presents the 2026 Financial Plan Annual Update (FPAU) for Revive Interstate 70 (I-70) in Wayne County (the Project), including current cost estimates, expenditure data through the effective date of April 30, 2026, the current schedule for delivering the Project, and the financial analyses developed for the Project. This IFP has been prepared generally in accordance with Federal Highway's (FHWA's) Financial Plans Guidance.

## PROJECT OVERVIEW

The Revive I-70 Project will reduce congestion, improve traffic flow, and improve safety along the I-70 corridor. The Project includes planned improvements for I-70 in Wayne County from near Cambridge City to the Indiana/Ohio state line. The twenty plus mile corridor stretches from west of the I-70/State Road 1 interchange to the I-70/US 40 interchange. The Project will include segments of added travel lanes, interchange improvements, bridge improvements, pavement replacement along the entire corridor and the replacement of drainage structures as described below.

Because of the size of the corridor and scope of improvements, Revive I-70 is being delivered and funded under a phased delivery approach. This FPAU specifically addresses funding for funded phases (Contract 1, Contract 2, and part of Contract 3) and includes information on the development of the entire project.

## PROJECT SPONSOR

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

## PROJECT DETAIL

The purpose of the Revive I-70 project is to:

- Restore the pavement to extend the service life of these sections of roadway to at least 30 years and provide ride quality with an IRI of at least 95 in/mi,
- Correct geometric deficiencies to meet current IDM standards,
- Reduce the frequency and severity of crashes,
- Fulfill state and federal long-range plans for increasing mobility[1]; and
- Improve truck travel time reliability.

To meet the above purpose and need, the following improvements comprise the scope of work:

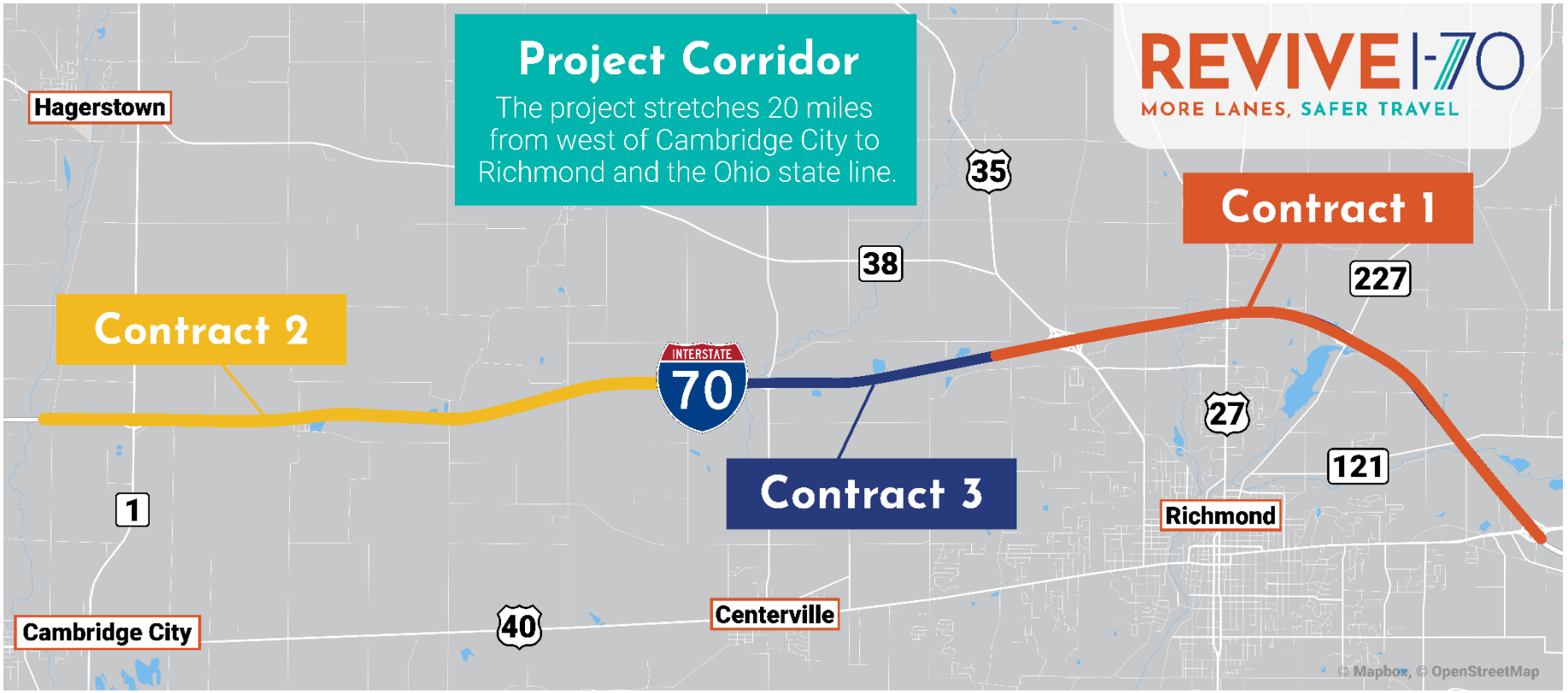
- Roadway improvements
    - Contract 1:
        - Provide an added travel lane, in each direction, in the median and close the median with a widened inside 14-foot shoulder.
        - Remove existing pavement and replace it with two pavement alternatives, with the mainline (travel lane) pavement and shoulder pavement types

[1] Moving the American Economy: Corridors of the Future to Help Fight Traffic Congestion. Source: DOT web site https://www.fhwa.dot.gov/pressroom/dot0795.cfm.

determined using alternative bid.
        - Reconstruct ramps up to the gore nose (interchanges at US 35, US 27, SR 227, and US 40). Existing HMA ramps will be mill-and-overlayed while existing concrete ramps will be patched.
    - Contracts 2 and 3:
        - Remove existing pavement and replace it with one of three approved pavement alternatives, with the mainline (travel lane) pavement and shoulder pavement types determined by using an alternative bid method.
        - Reconstruct ramps up to the gore nose (interchanges at SR 1, the rest area, Centerville Road, and the weigh station). Existing HMA ramps will be mill-and-overlayed while existing concrete ramps will be patched.
- Drainage
    - Contract 1:
        - Add new inlets and storm sewers along the closed median barrier.
        - Add detention areas in the infield areas and ditches for the increase in impervious areas.
        - Replace culverts, except as otherwise specified in the final scope of services.
    - Contracts 2 and 3:
        - Replace existing inlets and storm sewers in the median as necessary to maintain existing drainage patterns.
        - Replace culverts, except as otherwise specified in the final scope of services.
- Structures
    - Contract 1:
        - Provide an added travel lane, in each direction, in the median by widening existing structures.
        - Rehabilitation and preventive maintenance to structures within the project limits. Scope includes deck replacements and widenings, superstructure replacements and widening, thin and rigid deck overlays, and beam paintings.
    - Contracts 2 and 3:
        - Rehabilitation and preventive maintenance to structures within the project limits. Scope includes deck replacements and widenings, superstructure replacements and widening, thin and rigid deck overlays, and beam paintings.

Figure 1-1 below illustrates the Project corridor and the approximate termini for each Contract.

**FIGURE 1-1. PROJECT MAP OVERVIEW**




## PROJECT DELIVERY APPROACH

INDOT is utilizing the Design-Build-Low-Bid (DBLB) alternative procurement process to improve the facility. Under this procurement process, INDOT engages and manages a design consultant to produce design plans and supporting documents for construction. INDOT posts a Request for Proposal (RFP) to which qualified contractors may submit a sealed bid to construct the Project. INDOT will open the bids and let the contract to the lowest qualified bidder based on the scoring of their technical and cost proposals (Preferred Proposer). Technical Proposals will be scored before any Cost Proposal is opened. The Technical Proposal submittal score will be based on the total proposal score using a 100-point scale. The Project approach score represents up to 30 points of the total score; the Project schedule score represents up to 40 points of the total score; and the preliminary plans (adherence to the scope) score represents up to 30 points of the total score.

**Technical Proposal Score =**
**Project Approach Score (maximum 30 points available) + Project Schedule Score (maximum 40 points available) + Preliminary Plans Score (maximum 30 points available)**

Scores will be 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 receive a score of less than 80 will not be considered for further evaluation and the proposer's cost proposal will not be opened. The Preferred Proposer, the selected design-build contractor (DBC), will be 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.

## PROJECT HISTORY

A discussion of the project history, alternatives analysis, and public involvement can be found on the Project website found on the internet at https://revivei70.com/.

## PROJECT IMPLEMENTATION – MANAGEMENT AND OVERSIGHT

INDOT is managing and delivering the Project. The following is additional detail on the roles and responsibilities of various parties.

- **INDOT** – supported by its design and construction services consultants – will be responsible for all aspects of the Project.
- **Design Consultant** – will supplement and assist INDOT personnel with technical design, shop drawing review, request for information (RFI), and change order requests. The design consultant will work under the direction of INDOT.
- **Construction Services Consultant** – will supplement and assist INDOT personnel with construction document and plan review, contract administration, construction inspection, and quality control and assurance activities. The Construction Services Consultant will work under the direction of INDOT.
- **Preferred Proposer** – INDOT published an RFP for construction and selected a contractor at the Bid Letting in July 2024 for Contract 1 and subsequently March 2025 for Contract 2. Contract 3 is scheduled for letting in February 2027.

# 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 three DBLB construction contracts (see Figure 1-1):

- Contract 1 includes the eastern portion of the project area and extends from west of US 35 to the Ohio state line. The corridor is about eight miles long. The contract was let in July 2024 with construction beginning in late 2024.
- Contract 2 includes the western portion of the project area and extends from west of SR 1 to west of Centerville. The corridor is nearly nine miles long. Contract 2 let in February 2025 and awarded in March 2025.
- Contract 3 will extend from west of Centerville to US 35. The corridor is nearly four miles long. Contract 3 is expected to let in February 2027.

As shown in Table 2-1 below, the Project schedule will allow for substantial completion by the end of November 2029. This FPAU addresses funding for the funded phases. The State Fiscal Year (SFY) is from July 1 through June 30th the following year.

### TABLE 2-1. PROJECT SCHEDULE OVERVIEW

| Phase / SFY | 2023 & | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|
| Environmental | IFP | | | | | | | |
| | 2026 FPAU | | | | | | | |
| Preliminary Engineering / Design | IFP | | | | | | | |
| | 2026 FPAU | | | | | | | |
| Right of Way | | IFP | | | | | | |
| | | 2026 FPAU | | | | | | |
| Construction | | | IFP - Contract 1 | | | | | |
| | | | 2026 FPAU | | | | | |
| | | | | IFP - Contract 2 | | | | |
| | | | | 2026 FPAU | | | | |
| | | | | | IFP - Contract 3 | | | |
| | | | | | | 2026 FPAU | | |
| Utilities & Railroad | | IFP | | | | | | |
| | | 2026 FPAU | | | | | | |

## 2026 FINANCIAL PLAN UPDATE

Preliminary Engineering and Design (PE) were completed in the second quarter of SFY26. Right of Way (RW) is anticipated to be completed by the end of SFY26. Construction Engineering and Inspection (CE) services for all three Contracts will be funded under the first Contract to let, Contract 1. Utility relocations (UT) and Railroad coordination (RR) continue on Contract 3 and is expected to continue into SFY27. The letting and completion dates for Contract 3 have moved out. These changes are discussed further in Chapter 12 and 13.

## PROCUREMENT SCHEDULE

INDOT awarded a construction contract in July 2024 as shown in the procurement schedule below for Contract 1 and Contract 2 in March 2025 (see Table 2-2). The Project does require permanent RW acquisitions within the project limits and is anticipated to be cleared before the beginning of construction activities. Further, utility relocations associated with this Project are anticipated to be cleared within the construction timeframe allotted. Table 2-2 provides the current procurement schedule for the Project.

### TABLE 2-2. PROCUREMENT SCHEDULE

| Schedule Item | Contract 1 IFP | Contract 2 IFP | Contract 3 IFP |
|---|---|---|---|
| Project Advertisement | 5/15/2024 | 11/30/2024 | 4/8/2026 |
| Pre-Bid Meeting | 5/22/2024 | 12/7/2024 | 4/15/2026 |
| Field Checks | 6/5/2024 | 12/25/2024 | 5/2/2026 |
| Conflicts of Interest Submittal Due | 6/7/2024 | 12/27/2024 | 8/17/2026 |
| Design Alternate Meetings | 6/21/2024 | 1/17/2025 | 8/17/2026 |
| Design Alternate Proposals Due | 6/28/2024 | 2/1/2025 | 12/13/2026 |
| Submittal of Technical Proposals | 7/1/2024 | 2/28/2025 | 1/23/2027 |
| Submittal of Cost Proposals/Bid Letting | 7/10/2024 | 3/19/2025 | 2/10/2027 |
| Substantial Completion | 11/1/2027 | 6/15/2029 | 11/20/2029 |
| Contract Completion Date | 6/15/2028 | 11/1/2029 | 7/1/2030 |

## 2026 FINANCIAL PLAN UPDATE

Changes to the procurement schedule in this Update are from Contract 3. From conflicts of interest through contract completion, dates have been moved out. These changes are discussed further in Chapter 12 and 13.

## PERMITS AND APPROVALS

The Categorical Exclusion (CE) was approved in November 2023. All permitting activities will be carried out in accordance with the CE document. The RFP for construction includes provisions to ensure compliance with all NEPA commitments. INDOT has applied for necessary permits with key federal regulatory agencies. The permits and notifications that may be required are outlined in Table 2-3 below.

### 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 |
| 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 $710.83 million in year of expenditure (YOE) dollars. Unless otherwise stated in this financial plan, all dollar amounts are shown in YOE. Table 3-1 below provides an overview of costs, broken down by activity.

### TABLE 3-1. PROJECT COST ESTIMATE BY ACTIVITY AND PHASE (IN $ MILLIONS)

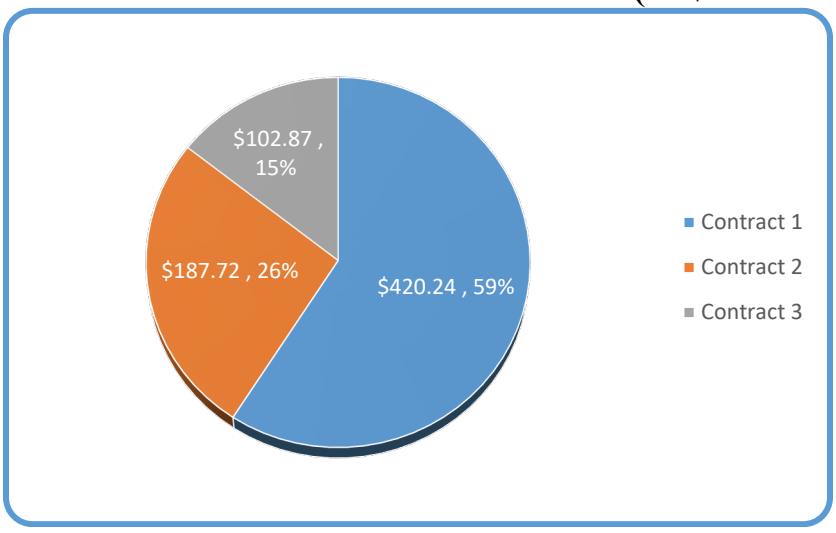
| Activity | Funded Contract 1 | Funded Contract 2 | Funded Contract 3 | Funded Subtotal | Unfunded Contract 3 | Total |
|---|---|---|---|---|---|---|
| PE / Environmental | $ 1.70 | $ 25.30 | $ - | **$ 27.00** | $ - | **$ 27.00** |
| Right of Way | $ 0.01 | $ 0.01 | $ - | **$ 0.02** | $ - | **$ 0.02** |
| Final Design | $ 18.13 | $ 7.79 | $ 3.98 | **$ 29.90** | $ 0.95 | **$ 30.86** |
| Construction | $ 359.71 | $ 154.52 | $ 79.02 | **$ 593.24** | $ 18.88 | **$ 612.12** |
| CEI & Admin | $ 40.18 | $ 0.10 | $ - | **$ 40.28** | $ - | **$ 40.28** |
| Utilities & Railroad | $ 0.51 | $ - | $ 0.04 | **$ 0.55** | $ - | **$ 0.55** |
| Contract Total | **$ 420.24** | **$ 187.72** | **$ 83.04** | **$ 691.00** | **$ 19.83** | **$ 710.83** |

## 2026 FINANCIAL PLAN UPDATE

Due to fiscal constraints, Contract 2 and 3 scopes have been reduced from the IFP. This results in the Project costs reduced by about $387.30 million (see Table 11-1). Both Contracts 1 and 2 have let and been awarded. Contract 3 remains partially unfunded. These changes are discussed further in Chapters 10 and 11.

Figure 3-1 illustrates the Project cost estimate by contract. As shown, Contract 1 is the largest followed by Contract 2 and lastly Contract 3.

### FIGURE 3-1. PROJECT COST ESTIMATE BY CONTRACT (IN $ MILLIONS)



## COST ESTIMATING METHODOLOGY

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

### TABLE 3-2. COST ESTIMATING METHODOLOGY

| Cost Elements |
|---|
| **Engineering and Design** |
| *Preliminary and final engineering design services.* |
| Final engineering will be part of the DBLB contract. Engineering and design cost estimates are currently estimated at 8.5% of the construction cost estimate. |
| **Design Program Management** |
| *Cost to state for services of the General Engineering Consultant (GEC) during the design activity 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 activity of the Project.* |
| Construction Administration and Inspection costs are estimated at 5.9% 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 using a Monte Carlo simulation to evaluate the overall potential cost impact. Contingencies have been included to match the recommended 70th percentile cost estimate. |
| **Enhancements** |
| *Various Project-related commitments as identified in the CE-4.* |
| This includes fixed dollar commitments made for various NEPA commitments. |

The Project cost estimating methodology has been updated to reflect the CSRA exercise outcome. A review team consisting of FHWA, INDOT, and Consultants conducted a CSRA for the Project February 6-9, 2021. The objective of the exercise was to verify the accuracy and reasonableness of the Project's cost and schedule estimates, develop a probability range for each, based on the stage/level of Project development (PE). For the exercise, contingencies were removed from the base estimate, cost and schedule risks identified, quantified, and added to the estimate. Inflation rates were vetted to apply to the future costs as well. Based on the results of the CSRA exercise, the cost estimate for the Project at the 70$^{th}$ percentile confidence level was $1,012.3 million in YOE, which is 7.95% higher than the pre-CSRA estimate. As noted above, this estimate has been reduced to $710.83 million commensurate with scope reductions made after the CSRA process.

## PROJECT EXPENDITURES

Table 3-3 shows the breakdown of costs for the Project by activity, SFY, funded Project phases, and unfunded Project phases, respectively. As shown, approximately $106.42 million has been expended on the Project through SFY25. Anticipated expenditures in future years are

summarized in the table as well. Approximately $604.40 million more is anticipated to be expended through SFY29. Construction and final design accounts for most at $642.98 million. The remainder of the anticipated expenditures are for PE and environmental, RW, CE, UT relocations and RR coordination.

SFY25 and prior includes actual expenditures. SFY26 includes actual expenditures, prior obligations not yet expended (encumbered balances that are carried forward for use, see Table 6-3), and any funds programmed but not yet obligated. SFY27 through SFY29 represent estimated expenditures.

The unfunded Project expenditures section represents the identified Project costs that have yet to be funded. As demonstrated below in Table 3-3, the Project has $19.83 million in cost estimates that are not yet funded. The unfunded portion consists of final design and construction activities.

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

| Phase | 2023 & Prior | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Phase Total |
|---|---|---|---|---|---|---|---|---|
| **Funded** | | | | | | | | |
| PE / Environmental | $ 9.96 | $ 5.77 | $ 6.14 | $ 5.14 | $ - | $ - | $ - | **$ 27.00** |
| Right of Way | $ 0.01 | $ 0.00 | $ - | $ 0.01 | $ - | $ - | $ - | **$ 0.02** |
| Final Design | $ - | $ - | $ 4.02 | $ 7.17 | $ 7.21 | $ 7.14 | $ 4.37 | **$ 29.90** |
| Construction | $ - | $ - | $ 79.78 | $ 142.17 | $ 143.09 | $ 141.56 | $ 86.63 | **$ 593.24** |
| CEI & Admin | $ - | $ - | $ 0.73 | $ 15.55 | $ 16.00 | $ 8.00 | $ - | **$ 40.28** |
| Utilities & Railroad | $ - | $ 0.01 | $ 0.00 | $ 0.50 | $ 0.03 | $ - | $ - | **$ 0.55** |
| **Funded Subtotal** | **$ 9.97** | **$ 5.78** | **$ 90.67** | **$ 170.54** | **$ 166.33** | **$ 156.70** | **$91.00** | **$ 691.00** |
| **Unfunded** | | | | | | | | |
| Final Design | $ - | $ - | $ - | $ - | $ 0.95 | $ - | $ - | **$ 0.95** |
| Construction | $ - | $ - | $ - | $ - | $ 18.88 | $ - | $ - | **$ 18.88** |
| **Unfunded Subtotal** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 19.83** | **$ -** | **$ -** | **$ 19.83** |
| **Total** | **$ 9.97** | **$ 5.78** | **$ 90.67** | **$ 170.54** | **$ 186.16** | **$ 156.70** | **$91.00** | **$ 710.83** |

## 2026 FINANCIAL PLAN UPDATE

Contract 2 has been fully funded for the letting after a scope reduction to accommodate the available funding for it. Contract 3 has also experienced a scope reduction. However, Contract 3 is not fully funded. These changes are discussed further in Chapters 10 and 11.

# CHAPTER 4. PROJECT FUNDS

## INTRODUCTION

This chapter discusses the 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 funds. A discussion of risks associated with funding availability is also included.

## FINANCIAL PLAN OVERVIEW

This Update reflects the planned funding and finance strategy by which the Project will be delivered through a combination of conventional state and federal transportation program funds. The plan addresses only the funded portion of the Project, as of this Update. The Financial Plan will be updated as additional phases are funded.

The Indiana Department of Transportation 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 document,
- 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 delivery method selected by INDOT has the potential of providing private sector innovation, efficiencies, and cost effectiveness with the best value to taxpayers. INDOT has developed a pro forma financial plan that provides a certain view of how a contractor may deliver this Project.

## PROCUREMENT APPROACH AND FINANCING

The Project is being procured using a DBLB procurement model. Under this model, INDOT will make progress payments to a contractor as work is progressed 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 contractor. INDOT will budget for these using INDOT's state appropriations 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), National Highway Freight Program (NHFP), and the Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Formula Program (PROTECT).

## STATE TRANSPORTATION AND FEDERAL-AID FORMULA FUNDING

NHPP, NHFP, and PROTECT funds combined with state funding from gas and wheel taxes will

be used to fully fund the Project. The Federal to non-Federal funds ratio of 65.9 to 34.1 percent as of this Update is anticipated as described below in Table 4-1. The current federal funding amounts do not include any funds authorized under Advance Construction (AC), which are not considered Federal funds until they are converted with FHWA. Indiana has a demonstrated track record of meeting its state match obligations with a variety of state funding sources, including state fuel taxes and a variety of transportation-related fees.

An estimated $691.00 million of federal-aid highway formula and state transportation funds is reasonably expected to be available to the Project (see Table 4-1). This includes $502.06 million of funds obligated through SFY25. Any funds authorized with FHWA under AC are shown as State funds until they are converted to federal funds. The Project has $60.46 million in funds authorized under AC not converted to date, see Table 6-2.

SFY25 and prior includes actual obligations from programmed funds. SFY26 includes actual obligations, encumbrances, and any funds programmed, but not yet obligated. SFY27 through SFY28 are programmed funds for future obligation.

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

| Fund Type | 2023 & Prior | 2024 | 2025 | 2026 | 2027 | 2028 | Total |
|---|---|---|---|---|---|---|---|
| Federal | | | | | | | |
| NHFP | $ 0.02 | $ 0.00 | $ 97.15 | $ 0.02 | $ - | $ - | **$ 97.20** |
| NHPP | $ 10.65 | $ - | $ 199.58 | $ 53.95 | $ 53.17 | $ 39.62 | **$ 356.97** |
| Protect | $ - | $ - | $ 1.14 | $ - | $ - | $ - | **$ 1.14** |
| Federal Subtotal | $ 10.66 | $ 0.00 | $ 297.87 | $ 53.98 | $ 53.17 | $ 39.62 | **$ 455.31** |
| State | | | | | | | |
| Highway Fund | $ 1.29 | $ 18.85 | $ 165.38 | $ 27.93 | $ 8.16 | $ 6.08 | **$ 227.69** |
| Lease Proceeds | $ 8.00 | $ - | $ - | $ - | $ - | $ - | **$ 8.00** |
| State Subtotal | $ 9.29 | $ 18.85 | $ 165.38 | $ 27.93 | $ 8.16 | $ 6.08 | **$ 235.69** |
| Total | $ 19.95 | $ 18.85 | $ 463.25 | $ 81.91 | $ 61.33 | $ 45.70 | **$ 691.00** |

## 2026 FINANCIAL PLAN UPDATE

The funding for the Project has increased since the IFP, as illustrated in Table 4-1, to fund Contract 2 and part of Contract 3. These changes are discussed further in Chapters 10 and 11.

## PROGRESS PAYMENTS

The progress payments will be funded with a combination of state and federal funds. In addition to being reflected in INDOT's internal budget and financial control systems, all anticipated funding amounts are reflected in the fiscally constrained 2026-2030 Statewide Transportation Improvement Program (STIP).

## FEDERAL DISCRETIONARY FUNDING

The Project has not utilized funding outside of federal-aid formulary and state transportation funds appropriated to INDOT to date.

# 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. Thus, there are no issuance, interest, or 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 funded phase of the Project are currently anticipated to be fully funded using state and federal funds. The following sources of funds will fund construction and other development costs.

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

| Sources of Funds | IFP | FPAU | $ Change | % Change |
|---|---|---|---|---|
| **Sources of Funds** | | | | |
| IN Federal & State Formulary | $ 481.15 | $ 691.00 | $ 209.84 | 43.6% |
| **Source of Funds Subtotal** | **$ 481.15** | **$ 691.00** | **$ 209.84** | 43.6% |
| **Uses of Funds** | | | | |
| Design & Construction | $ 441.15 | $ 650.72 | $ 209.56 | 47.5% |
| CEI & Admin | $ 40.00 | $ 40.28 | $ 0.28 | 0.7% |
| **Uses of Funds Subtotal** | **$ 481.15** | **$ 691.00** | **$ 209.84** | 43.6% |

## 2026 FINANCIAL PLAN UPDATE

The sources and uses of funds have increased $209.84 million over the IFP. The increase is attributed to Contract 2 being fully funded and funding for Contract 3. These changes are discussed further in Chapters 10 and Chapter 11.

## 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. At no time will Indiana's AC exceed Indiana's future federal estimates. As shown in Table 6-2 below, the Project currently has $60.46 million in AC.

### TABLE 6-2. ADVANCE CONSTRUCTION FUNDING STATUS (IN $ MILLIONS)

| State Fiscal Year | Amount AC'd to Date | Amount Converted to Date | Amount Remaining in AC |
|---|---|---|---|
| 2025 & Prior | $ 415.26 | $ 354.80 | $ 60.46 |

## PROJECTED CASH FLOWS

Table 6-3 summarizes the prior, current, and anticipated total, annual cash outlays for the Project. Because no financing is anticipated to be utilized this is simply the annual outflow required to meet the Project's cash flow requirements, including progress payments to the DBLB contractor.

The cash flows table is formed from the information in Table 3-3 and 4-1. The funding from Table 4-1 is populated in the Revenues section while the expenditure information is from Table 3-3 in the expenditures section. The difference between each SFY funding and expenditure becomes a carryover amount to the subsequent SFY. As Table 6-3 illustrates, it is anticipated that the Project will have obligated funding to carry over into SFY30 as the Project nears completion.

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

| Revenues | 2023 & Prior | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|---|---|---|
| Carry Forward | | $ 9.98 | $ 23.05 | $ 395.63 | $ 337.00 | $ 262.00 | $ 181.00 | $ 62.50 | |
| INDOT Funding | $ 19.95 | $ 18.85 | $ 463.25 | $ 81.91 | $ 61.33 | $ 45.70 | $ - | $ - | **$ 691.00** |
| **Revenue Subtotal** | **$ 19.95** | **$ 18.85** | **$ 463.25** | **$ 81.91** | **$ 61.33** | **$ 45.70** | **$ -** | **$ -** | **$ 691.00** |
| **Total Revenue Available** | **$ 19.95** | **$ 28.84** | **$ 486.31** | **$ 477.54** | **$ 398.33** | **$307.70** | **$ 181.00** | **$ 62.50** | |
| **Expenditures** | | | | | | | | | |
| Preliminary Engineering | $ 9.96 | $ 5.77 | $ 6.14 | $ 5.14 | $ - | $ - | $ - | $ - | **$ 27.00** |
| Right of Way | $ 0.01 | $ 0.00 | $ - | $ 0.01 | $ - | $ - | $ - | $ - | **$ 0.02** |
| Final Design | $ - | $ - | $ 4.02 | $ 5.73 | $ 5.77 | $ 5.70 | $ 5.69 | $ 3.00 | **$ 29.90** |
| Construction | $ - | $ - | $ 79.78 | $ 113.61 | $ 114.53 | $ 113.00 | $ 112.81 | $ 59.50 | **$ 593.24** |
| CEI & Administrative | $ - | $ - | $ 0.73 | $ 15.55 | $ 16.00 | $ 8.00 | $ - | $ - | **$ 40.28** |
| Utilities & Railroad | $ - | $ 0.01 | $ 0.00 | $ 0.50 | $ 0.03 | $ - | $ - | $ - | **$ 0.55** |
| **Expenditures Subtotal** | **$ 9.97** | **$ 5.78** | **$ 90.67** | **$ 140.54** | **$ 136.33** | **$126.70** | **$ 118.50** | **$ 62.50** | **$ 691.00** |
| **Net Cash Flow** | **$ 9.98** | **$ 23.05** | **$ 395.63** | **$ 337.00** | **$ 262.00** | **$181.00** | **$ 62.50** | **$ -** | |

## 2026 FINANCIAL PLAN UPDATE

As shown above in Table 6-3, the Project has expended $106.42 million through SFY25. For SFY26, INDOT anticipates it will obligate $81.91 million more and expend $140.54 million. The remaining funds will be expended in SFY27-30.

Table 6-4 illustrates the Project cash flows from the IFP. The major difference in the Project costs is the reduction in construction costs. The other notable difference is that the funding previously anticipated in SFY24 has shifted forward to SFY25-29.

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

| Revenues | 2023 & Prior | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Total |
|---|---|---|---|---|---|---|---|---|
| Carry Forward | | $ 10.76 | $ 196.04 | $ 134.00 | $ 94.00 | $ 13.00 | $ 5.00 | |
| INDOT Funding | $ 19.87 | $ 204.14 | $ 80.27 | $ 111.81 | $ 35.82 | $ 29.23 | $ - | **$481.15** |
| **Revenue Subtotal** | **$ 19.87** | **$ 204.14** | **$ 80.27** | **$ 111.81** | **$ 35.82** | **$ 29.23** | **$ -** | **$481.15** |
| **Total Revenue Available** | **$ 19.87** | **$ 214.91** | **$ 276.31** | **$ 245.81** | **$ 129.82** | **$ 42.23** | **$ 5.00** | |
| **Expenditures** | | | | | | | | |
| Preliminary Engineering | $ 9.11 | $ 5.89 | $ 3.00 | $ 2.01 | $ - | $ - | $ - | **$ 20.01** |
| Right of Way | $ - | $ 0.60 | $ - | $ - | $ - | $ - | $ - | **$ 0.60** |
| Final Design | $ - | $ 0.47 | $ 6.56 | $ 7.09 | $ 5.44 | $ 1.46 | $ - | **$ 21.03** |
| Construction | $ - | $ 8.91 | $ 124.71 | $ 134.71 | $ 103.38 | $ 27.77 | $ - | **$399.48** |
| CEI & Administrative | $ - | $ 3.00 | $ 8.00 | $ 8.00 | $ 8.00 | $ 8.00 | $ 5.00 | **$ 40.00** |
| Utilities | $ - | $ - | $ 0.04 | $ - | $ - | $ - | $ - | **$ 0.04** |
| **Expenditures Subtotal** | **$ 9.11** | **$ 18.87** | **$ 142.31** | **$ 151.81** | **$ 116.82** | **$ 37.23** | **$ 5.00** | **$481.15** |
| **Net Cash Flow** | **$ 10.76** | **$ 196.04** | **$ 134.00** | **$ 94.00** | **$ 13.00** | **$ 5.00** | **$ -** | |

# 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

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 being procured using a DBLB delivery method. While not a P3 procurement, the DBLB project will be managed administratively the same.

## LEGISLATIVE AUTHORITY

The P3 Program operates within the general legal framework set forth in the Indiana Code (IC). 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. 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. The Major Projects Delivery Division is responsible for delivering and overseeing P3s and alternative procurement projects 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 is 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 can 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 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.

- **Improved accountability:** One party, the Successful 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 Successful 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 contract. The contract 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 proposers.

## RISK ALLOCATION 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 activity. 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 the overall transportation objectives of the State? |
| | 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? |

| High Level Project Screening Criteria | |
|---|---|
| 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 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 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. Detailed 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? |
| | 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? |

| Detail Project Screening Criteria | |
|---|---|
| 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 standard INDOT screening process it was determined that the Project is not a strong candidate for a P3 procurement but is a strong candidate for DBLB delivery. Table 7-3 below provides additional considerations to the Project using the DBLB delivery model.

## TABLE 7-3. INDOT P3 PROJECT CONSIDERATIONS

| 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 51% (EB) and 50% (WB) of total traffic).
- An accelerated construction schedule would help to limit construction impacts to stakeholders 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 proposers willing to bid under a DBLB model.

Therefore, INDOT identified the DBLB 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. Aside from funding, other market conditions factor into the procurement method. The construction labor market conditions are currently saturated with several other major construction projects in the regional area. Two of these projects are P3/DBLB projects which reduce the viability of another proposer entering the area. The current issues around supply chain disruptions present a market condition to which proposers could view negatively in their schedule and bid.

# CHAPTER 8. RISK AND RESPONSE STRATEGIES

## INTRODUCTION

This chapter addresses several important risk 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. 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 $399.58 million contract price. | 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. | High | Medium |
| Cost Overruns During Construction | | Realized 2026 FPAU | |
| 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. | 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 effects 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 longer planning and procurement lead times. | High | Medium |

## 2026 Financial Plan Update

The Project cost risk of cost overruns during construction has been realized. Contract 1 has realized a cost change, discussed further in Chapter 10 and 11.

## 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 | | | |
| Lawsuits filed within the statutory protest period may result in significant delays to the start of construction and expose the Project to additional inflationary costs. | To mitigate the potential impacts of future litigation that could cause schedule delays and cost escalation, INDOT intends to adhere to the conditions of each federal and local approvals received to construct the project. | Low | High |
| Permits and Approvals | | | |
| Delays in the receipt of permits and approvals may delay the start of construction. | The State has initiated activities necessary to secure major permits. The design builder will assume responsibility to obtain all other permit approvals. Compliance will be the design-builder's responsibility and will be a contractual requirement in the PPA. The State has a track record of success in acquiring similar permits. | Medium | Low |
| 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. | Low | Low |
| Endangered Species | | | |

| Risk | Mitigation Strategy | Likelihood of Occurrence | Impact of Occurrence |
|---|---|---|---|
| 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 delays with dedicated staffing to address surprise findings. Similar mitigation has been used on four previous corridor projects successfully to avoid construction delays. | Low | Medium |
| 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. | Medium | High |
| 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. | High | Medium |
| 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. | Medium | High |
| Project Start-up/Execution | | | |
| Delays in mobilizing required resources at project kick-off could delay the project at inception, requiring the design-builder to perpetually play catch-up with their schedule. | Detailed requirements in the Technical Provisions and PPA define the design-builder's responsibilities and keep schedule risk predominantly with the design-builder. Vigilant oversight by the project team will protect INDOT from unexpected delay claims. | High | Medium |
| Materials Supply Chain | | | |
| 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 effects have disrupted several industry supply chains for materials and as a 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 |

## 2026 FINANCIAL PLAN UPDATE

There are no changes to the Project Schedule risk profile to report for this Update.

## 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 | | Realized – 2025 FPAU | |
| 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 will be reflected in Indiana's fiscally constrained STIP and the TIP for the metropolitan region. | Low | Medium |

## 2026 FINANCIAL PLAN UPDATE

There are no changes to the Project Financing and Revenue risk profile to report for this Update. The risk of state and federal funding availability has been realized previously. Due to fiscal constraints, the added travel lanes work has been removed from the scope of Contract 2 and 3 phases. INDOT will continue to evaluate its capital program to identify the necessary funding for the Contract 3 phase.

## 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.

### TABLE 8-4. PROCUREMENT – RISKS AND RESPONSE STRATEGIES

| Risk | Mitigation Strategy | Likelihood of Occurrence | Impact of Occurrence |
|---|---|---|---|
| Delay in Procurement | | | |
| The State does not receive compliant bids, are not able to select a preferred bidder, or cannot execute the contract. | The variable scope nature of the proposal process allows the State to mitigate the potential that proposers cannot meet the required contract limit. Further, the PPA requires a proposal bond that will help to incentivize the preferred proposer to come to an agreement with INDOT. | Low | High |

## 2026 FINANCIAL PLAN UPDATE

There are no changes to the procurement schedule and associated risks to report for this Update.

## IMPACT ON STATEWIDE TRANSPORTATION PROGRAM

The State has made specific commitments to the completion of the Project. The Project Sponsor believes the federal-aid highway formula, federal discretionary, and state transportation funds

identified in this IFP are reasonably expected to be available, and without adverse impacts on the State's overall transportation program or other funding commitments. 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. INDOT is using the biennium appropriations for progress payments showing that Indiana has allocated these appropriations out of INDOT's Capital Program. INDOT estimates that these future payments will be 4.4% of its capital program. Funding for the Project from INDOT federal authorizations has been 8.4% of the NHPP, 48.1% of NHFP, and 3.1% of Protect.

# 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 April 30, 2026. Future updates will be submitted to FHWA by July 31st each subsequent year through substantial completion.

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

## INTRODUCTION

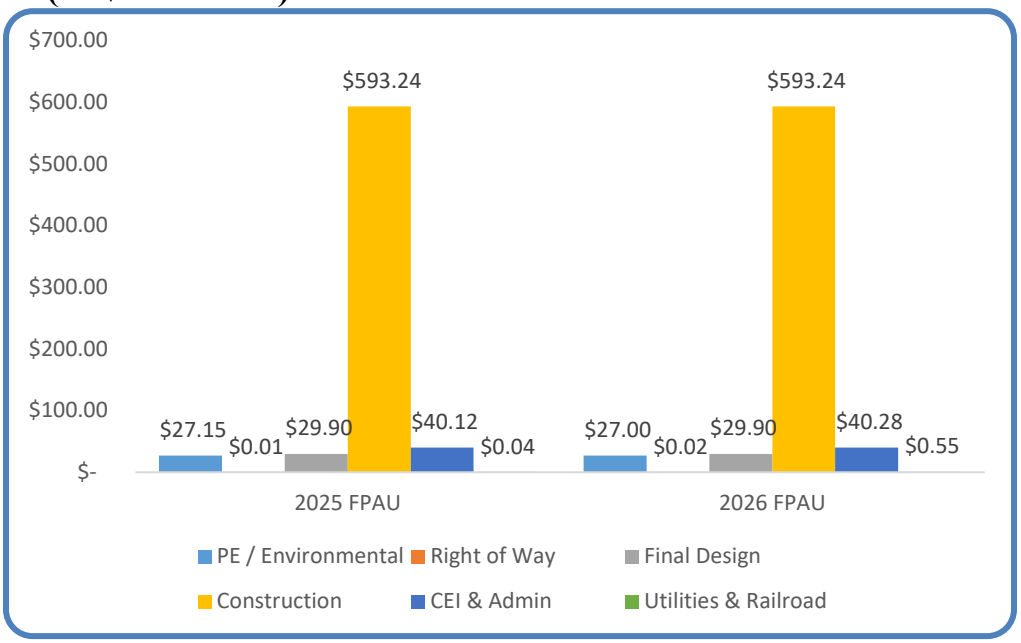
This chapter addresses the changes that have reduced or increased the cost of the Project since last year's financial plan, the primary reason(s) for the changes, and actions taken to monitor and control cost growth.

## SUMMARY OF COST CHANGES

The Project has realized a cost increase over the prior Update of $0.53 million of the funded Project phases.

- PE/environmental: $0.15 million decrease from lower than estimated environmental mitigation costs, and from surveying and mapping services underruns.
- RW: $0.01 million increase from additional acquisition costs.
- CE: $0.16 million increase for additional structural member fabrication inspection and pile testing services.
- UT/RR: $0.51 million increase for utility conflicts and additional RR services.

## FIGURE 10-1. PROJECT EXPENDITURES & COST ESTIMATE COMPARISON BY ACTIVITY (IN $ MILLIONS)




The actions taken to monitor and control cost growth include vetting all changes internally between the Project team, the asset owners, and District construction, engineering, and maintenance departments. Items considered are cost, added value, short and long-term maintenance impacts, impacts to the Project schedule, and the ability to be implemented. The Project team will look for duplication of efforts and items to control cost growth. All professional service agreements 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.

## SUMMARY OF COST AND FUNDING TRENDS

Since the IFP, the Project has realized a $324.80 million decrease in costs, 32% as shown below in Table 11-1. Obligations made in SFY25 and prior that were not expended are shown in SFY26 numbers as encumbrances. These changes are reflected below in Table 11-1.

### TABLE 11-1. PROJECT EXPENDITURES & COST ESTIMATES SUMMARY COMPARISON BY SFY (IN $ MILLIONS)

| State FY | IFP | 2025 FPAU | 2026 FPAU | Change from IFP $ | Change from IFP % |
|---|---|---|---|---|---|
| 2023 & Prior | $ 9.11 | $ 9.97 | $ 9.97 | $ 0.86 | 9.5% |
| 2024 | $ 18.87 | $ 5.78 | $ 5.78 | $ (13.08) | -69.3% |
| 2025 | $ 262.18 | $ 130.90 | $ 90.67 | $ (171.51) | -65.4% |
| 2026 | $ 296.06 | $ 167.82 | $ 140.54 | $ (155.51) | -52.5% |
| 2027 | $ 251.29 | $ 154.80 | $ 136.33 | $ (114.97) | -45.8% |
| 2028 | $ 158.31 | $ 146.20 | $ 126.70 | $ (31.61) | -20.0% |
| 2029 | $ 19.99 | $ 75.00 | $ 118.50 | $ 98.51 | 492.9% |
| 2030 | $ - | $ - | $ 62.50 | $ 62.50 | - |
| **Total** | **$ 1,015.80** | **$ 690.47** | **$691.00** | **$ (324.80)** | **-32.0%** |

Cost and funding trends since the IFP have realized decreases as shown in Figure 11-1 below. The Project has received additional funding of $209.84 million (see Table 6-1) for Contract 2 phase and part of Contract 3 phase. However, the scope of both phases has been reduced since the IFP, because of recent inflationary factors that have sharply increased the costs to deliver the INDOT capital program overall, from initial scoping and funding. The scope reduction was the added travel lanes.

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

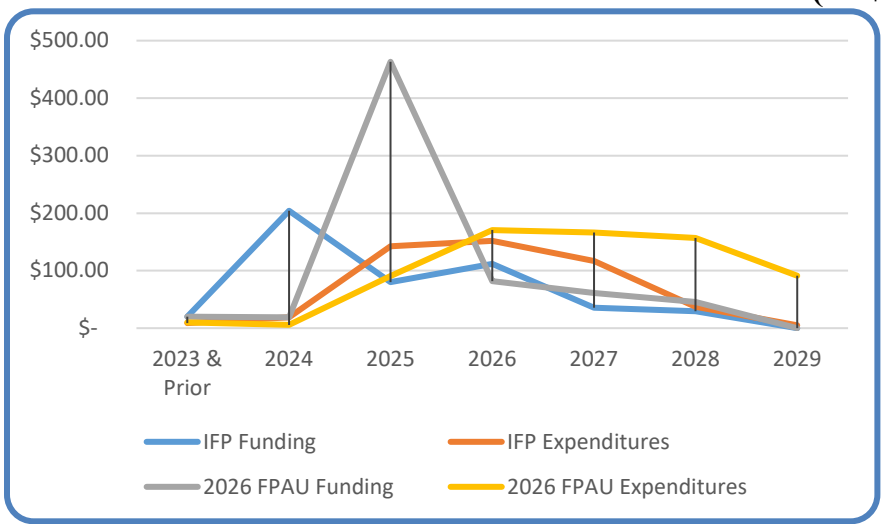


Table 11-2 below lists the cost changes/ change orders by Contract on the Project. Not all change orders are funded. These are typically funded towards the end of the Project when the funds are needed.

**TABLE 11-2. SUMMARY OF COST CHANGES BY CONTRACT (IN $ MILLIONS)**

| Contract | Item | Description | Status | Schedule Impact | Amount | % of Original Bid |
|---|---|---|---|---|---|---|
| 1 | 001 | Implementation of Ohio Median Inlet Changes | Draft | 0 | $ 1.50 | 0.4% |
| | | | | | | 0.0% |
| | | | | | | 0.0% |
| | | | | | | 0.0% |
| | | | | | | 0.0% |
| | | | | | | |
| | **Total** | | | | **$ 1.50** | **0.3%** |

The implication for the remainder of the Project is that additional cost changes will transpire resulting in incremental Project CN cost increases. Further, expenditures on the Project are likely to extend beyond the anticipated SFY30 substantial completion timeframe.

# 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.

## SUMMARY OF SCHEDULE CHANGES

The Project has realized schedule changes since the prior Update. Contract 3 schedule has been extended for items from conflicts of interest through completion. Through letting (also when cost proposals are due), the schedule has been moved out for six months and two weeks. These changes are to accommodate further internal vetting on the scope of services for Contract 3 as related to and allowed by the Agency's fiscal constraints. The substantial and contract completion dates have been moved out approximately one year to provide greater flexibility to contractors that may bid on the Project, to allow for better sequencing of work between the three phases, and to provide an additional construction season for the work.

Actions taken to monitor and control schedule growth include internal coordination meetings between the District and Central Office subject matter expert's department/s to discuss progress. Critical path issues are always priority for these meetings. Risk discussions also occur at these meetings to evaluate risks and identify mitigation strategies. INDOT and FHWA have recurring risk assessment of major projects meetings as well. For phases already under construction, the critical path method (CPM) for scheduling, with weekly reviews between INDOT and the DBC, are utilized to monitor and control schedule growth.

# 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.

## SUMMARY OF SCHEDULE TRENDS

The Project's schedule trends since the IFP have realized some minor growth overall with phase 3 activities extending to reflect anticipated future scheduling as discussed previously in Chapter 12. The reason for this trend is uncertainty of fiscal constraint and the possible scope values for Contract 3. The implications for the remainder of the Project are that additional time for contracts completion should not be necessary.