Cost Contingency Management

Project contingencies continue to remain at a healthy level of a little under $273M due to the favorable construction bidding climate, ROW acquisition cost trends, diligent project risk management practices and excellent tunneling conditions. August's overall contingency notched down by about $100K due to change orders and some administrative adjustments due to the budget transition from the previous fiscal year to the current. Contingency level continues to trend well above the Planned Contingency Drawdown; the projected planned balance between the end of 2nd QTR 2015 and the end of 3rd QTR 2015 ranges from $83M and $78M and the Contingency Buffer is now projected to at the minimum $100M from this point until project completion. The projected planned Reserved Contingency balance is now planned at $25M (see contingency curve at the bottom of page). Construction has now surpassed 96% complete. Barring any catastrophic event, there is a high likelihood that this contingency trend will remain intact.
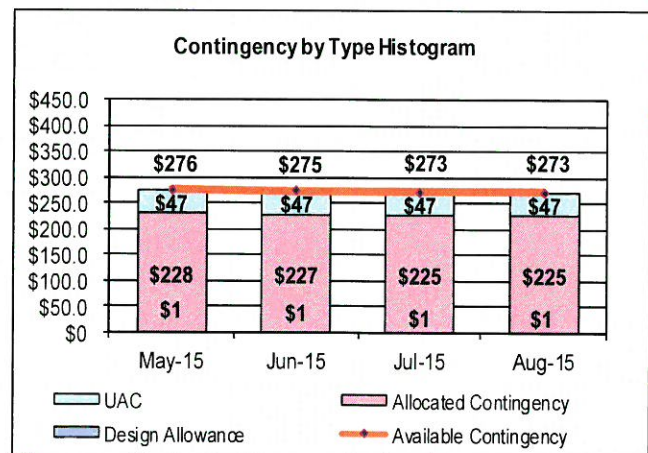
Design Allowance: The balance of design allowance has been reduced to less than $1M and is consistent with the project cycle as all the major design has been completed. The level of design allowance currently represents less than one-half percent of the total remaining scope in the project that has not been procured.

Allocated Contingency: Allocated Contingency continues to remain stable approximately at $225M.

Unallocated Contingency (UAC): The total UAC balance is at $47M and continues to remain stable compared to the Baseline Cost Estimate amount of $53.7M considering that the construction is now approaching 96% complete.

Contingency Status	BCE		Current Status	
	Amount	% of Total	Remaining Amount	% Remaining Work
Design Allowance	$103.9	7.8%	$0.9	1.8%
Allocated Contingency	$264.3	19.8%	$225.0	460.4%
Unallocated Contingency	$53.7	4.0%	$46.9	96.0%
Total:	$421.9	31.6%	$272.8	558.2%

Percentage = Contingency $ /(EFC or Remain. Work $ ex-Contingencies)

Contingency by Type Histogram

MINIMUM CONTINGENCY CURVES as of August 31, 2015 $ in millions