



An Independent Review Panel hosted public meetings during this quarter to evaluate private-sector proposals to improve Route 460.

OVERVIEW

In these quarterly reports and every day on our Dashboard, VDOT reviews the delivery of our construction and maintenance programs and reports the unvarnished results. We have seen steady improvements as we focused the agency on these important aspects of our work. Each quarter, we continue to improve meeting our on-time, on-budget and quality targets in our construction and maintenance programs.

This quarter continues our record of achievement. Performance in this quarter shows continued progress toward making our year-end targets. We are proving that accountability, transparency and performance measurement delivers better results for the citizens of Virginia.

This is a time for reflection and recognition for the daily hard work by thousands of dedicated men and women with VDOT, our contractors and our partners. But now it is time to think about the bigger picture, to go beyond "on time and on budget" as our performance measures.

VDOT is a multi-billion-dollar business that transcends engineering and construction. Working with minority vendors improves opportunities for small-business owners. Highway safety programs save lives. Sound VDOT management stretches taxpayer investments in transportation. And monitoring the satisfaction of our customers provides another check to ensure that we are focusing resources to improve every Virginian's life everyday.

You will soon see changes in how VDOT measures achievements and reports our accomplishments. Work began in early 2007 to develop new performance and accountability measures that more consistently and comprehensively reflect the activities that encompass our transportation program.

Working with and listening to our stakeholders and the recently established Transportation Accountability Commission will provide more ideas on how we can measure and report our performance.

VDOT is developing a new Dashboard, building from the program that has consistently reported our progress since 2003. Dashboard 3.0 represents the most significant enhancements yet to our performance measurement system and gives our customers around the world a real-time view of how VDOT conducts its business.

When Dashboard 3.0 is released, VDOT will open a new chapter in reporting our accomplishments and our challenges. We will broaden the scope of our measures to include System Performance, Safety, Condition (of roadways, bridges and pavements), Projects (on-schedule delivery), VDOT Management, Customer Satisfaction, Revenue and Spending. You will have a comprehensive snapshot for VDOT's business areas. We will continue the same level of focus to achieve significant results in all of VDOT's programs as we have in delivering our construction and maintenance program.

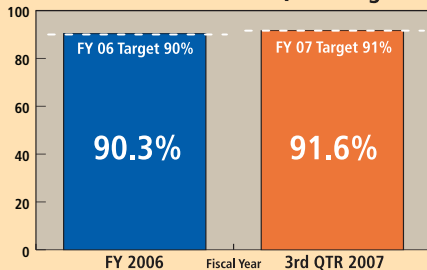
Watch for more information about Dashboard 3.0 and VDOT's FY 2008 business plan and for changes in these quarterly reports as we continue to find new ways to chronicle progress in all of our activities.

We invite your feedback on these tools and look forward to continuing our journey as a leading 21st century DOT.

David S. Ekern, P.E.
Commissioner

Statewide Construction Quality Compliance

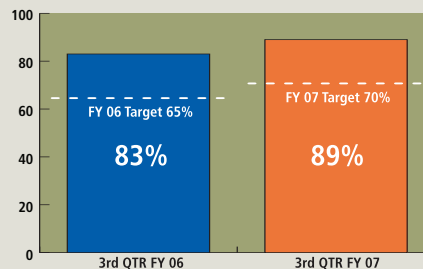
YTD Construction CQIP Rating



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. In FY 06, the full-year 90.3 percent CQIP result surpassed the 90 percent target. Through the third quarter of FY07, the YTD 91.6 percent result favorably compares to the full-year 91 percent target.

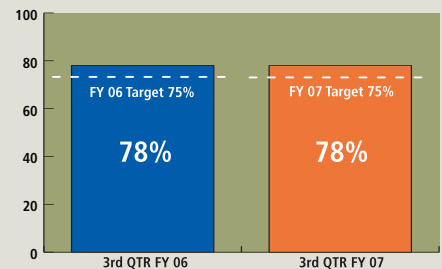
SCHEDULED PROJECTS PLAN-TO-ACTUAL PERFORMANCE

CONSTRUCTION ON-SCHEDULE PERFORMANCE



126 contracts were due for completion by end of the fiscal quarter. Of those 126 contracts, 112 (89%) were completed on-schedule

MAINTENANCE ON-SCHEDULE PERFORMANCE



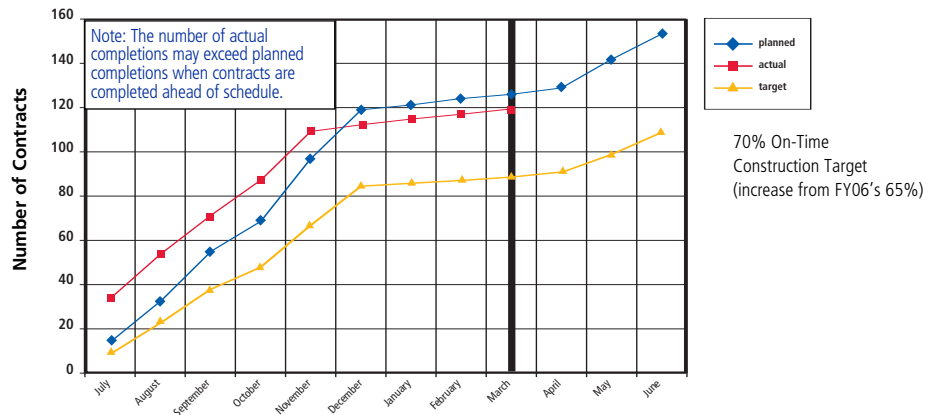
60 contracts were due for completion by end of the fiscal quarter. Of those 60 contracts, 47 (78%) were completed on-schedule

QUARTERLY NOTES

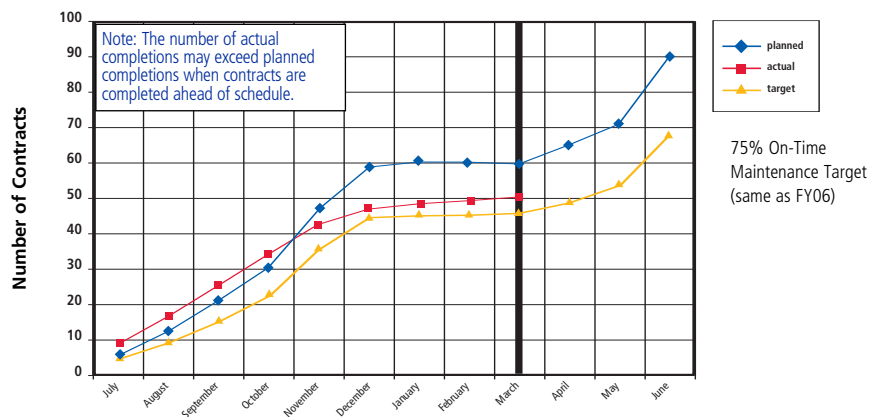
- Two former U.S. Marines who served during Operation Iraqi Freedom have started work as part of VDOT's Wounded Veteran Internship Program. Purple Heart recipient and former Sergeant Chad C. Ellinger started his new position as a security and technology specialist in VDOT's Staunton District March 5. Ellinger's responsibilities include information technology, security, telecommunications, and records management. Former Corporal Jason L. Weaver began as an engineer technician in the Fredericksburg District March 7. Weaver is assisting in all phases of asphalt, soil, aggregate and concrete materials testing and sampling.
- VDOT is in its 10th year of recognizing Work Zone Awareness Week. Charlottesville Residency Administrator Allan Sumpter thought of it one sleepless night a decade ago, and work zone awareness week is now recognized nationally. Seventeen people died and 1,098 others were injured in Virginia's work zones in 2006, according to the latest available statistics. In year-round efforts to share the importance of driving safely through work zones, VDOT and Virginia Transportation Construction Alliance volunteers speak to our youngest and most inexperienced drivers in high school driver education classes. So far this school year, about 160 volunteers have spoken to more than 21,000 students. Nearly 93,000 teens have heard the message since the statewide program's inception in 2003.
- Public meetings of the Route 460 Corridor Improvement Project's Independent Review Panel are being held this spring. The panel will evaluate three private-sector proposals submitted to build a new Route 460 between Petersburg and Suffolk. The Route 460 corridor is a strategic component in Virginia's long-term freight management, hurricane evacuation, congestion reduction and economic development programs.
- About 75 Disadvantaged Business Enterprise (DBE) companies attended three VDOT workshops held this winter in Fredericksburg, Williamsburg and Roanoke. The "Accessing Capital" workshops were designed to help small, women- and minority-owned businesses find out about ways to get bonded and obtain capital funding for their companies.
- VDOT's South Fork Rockfish River Restoration Project in Nelson County has been selected as one of 20 new Exemplary Ecosystem Initiatives by the Federal Highway Administration. The local river restoration project began as a mitigation project because of impacts on area streams due to construction of the 13-mile U.S. 29 Madison Heights Bypass.

THIRD QUARTER 2007 PERFORMANCE

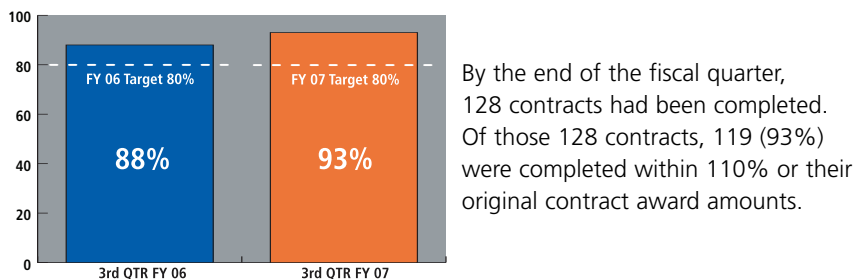
FY07 CONSTRUCTION CONTRACTS COMPLETED (ON TIME)



FY07 MAINTENANCE CONTRACTS COMPLETED (ON TIME)



CONSTRUCTION CONTRACTS COMPLETED WITHIN BUDGET



MAINTENANCE CONTRACTS COMPLETED WITHIN BUDGET

