

Beartooth Highway Reconstruction Project (Segment 4, Wyoming) Project Phasing and Funding Needs Summary February 2006

A Funding Plan has been prepared to update total costs to reconstruct all of Segment 4, based upon a reasonable project phasing plan. Itemized costs were updated to 2007 based on completed and previously bid work along the Beartooth Highway. The analysis included all project development, construction, and construction support costs, as well as the affects of inflation on all costs, given construction industry trends and selected project phasing.

The following table summarizes the recommended project phasing and funding needs to deliver a fully reconstructed Segment 4 in 2017, based on the design recommended in the Record of Decision. The construction packages shown represent the most reasonable expenditure of public funds given physical and construction sequencing constraints along the Segment 4 corridor, and potential funding outlays. The table identifies the year of construction, the project limits, the baseline cost in 2007 dollars, and the cost in the year of construction. Lastly, the table presents the additional funding required in the year of construction to construct each project. A location map is included on the back of this page to assist in locating projects.

Segment 4 Beartooth Highway Reconstruction Project Recommended Project Phasing and Funding Needs

Year of Construction	Contract Package Limits		2007 Costs ¹ (In 2007 dollars)	Probable Costs (In year of construction with escalating inflation) ²	Additional funding needed (including inflation)
	Stations	Description			
2007	39+450 to 42+100	Clay Butte through Beartooth Ravine	\$18,800,000	\$18,800,000	\$6,800,000 ³
2009	42+100 to 46+500	Beartooth Ravine to Little Bear Creek Bridge 2	\$11,900,000	\$13,200,000	\$13,200,000
2011	46+500 to 52+423	Little Bear Creek Bridge 2 to the road closure gate	\$15,600,000	\$19,500,000	\$19,500,000
2012	52+423 to 61+340	The road closure gate to Gardner Lake Trailhead	\$18,600,000	\$24,700,000	\$24,700,000
2015	61+340 to 69+100	Gardner Lake Trailhead to Montana state line	\$16,100,000	\$25,400,000	\$25,400,000
Segment 4 Total			\$81,000,000	\$101,600,000	\$89,600,000

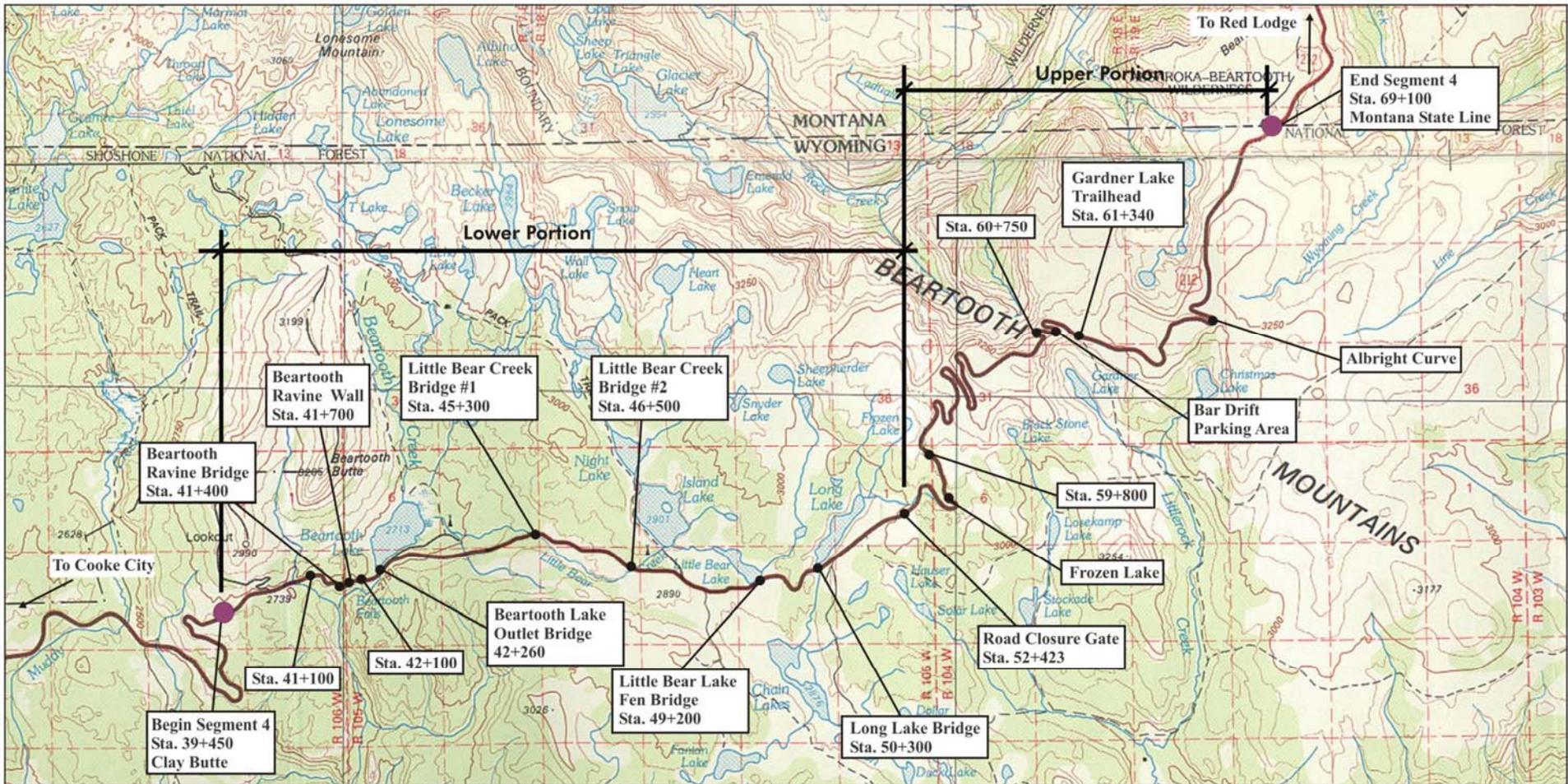
Notes:

¹ 2007 Costs represent a baseline cost for future calculations. Due to physical and construction sequencing constraints, all segments could not be constructed beginning in 2007 for the total amount shown. Costs include construction, construction engineering and inspection, contract administration, and post-design construction assistance and environmental monitoring, and are carried forward to the Probable Costs based on estimated inflation rates for the Year of Construction.

² Conservative escalated inflation rates assume 4.5 percent in 2007, 5.5 percent in 2008/2009, and 6 percent thereafter.

³ In addition to the remaining \$12.0 million HPP funds available in 2006 to be returned from MDT slide repair project.

Based on this analysis, the immediate funding need in 2006 for the first recommended project in 2007 is \$6.8 million. Given the current volatile construction market, an additional one-time award contingency of \$1.0 million should be added to this amount to eliminate the risk of canceling solicitation for lack of funds, for a total 2006 need of \$7.8 million. If all or part of the contingency is not required for award, future project requirements would be reduced accordingly. If the recommended 2007 project cannot be funded, a minimum project reconstructing the Beartooth Ravine area (41+100 to 42+100) should be advanced in 2007 to eliminate further inflationary erosion of remaining HPP funds, and to present a good faith effort of initial implementation of the Segment 4 reconstruction, as anticipated by the public. The Ravine project cost is calculated at \$15.4 million, if awarded in 2007. Additional 2006 funds in the amount of \$4.4 million would be needed to advertise the Ravine project, including the award contingency.



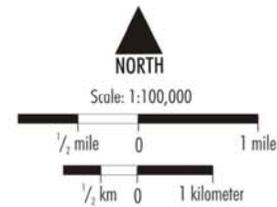
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● Segment 4 Begin and End

Lower Portion - Sta. 39+450 to Sta. 52+423
(Clay Butte to Road Closure Gate)

Upper Portion - Sta. 52+423 to Sta. 69+100
(Road Closure gate to Montana State Line)



Segment 4 of the
Beartooth Highway
(Clay Butte to Montana State Line)

FIGURE 1