

Memorandum

To: Chair and Commissioners

Date: June 16, 2008

From:  JOHN F. BARNA, JR.

File: Tab # 18
ACTION

Ref: CMIA and SR 99 Accountability Implementation Plan, Supplement 1 - Financial Accountability

ISSUE: Should the Commission adopt the attached supplement to the Accountability Implementation Plan for the Corridor Mobility Improvement Account (CMIA) and State Route 99 (SR 99) projects to address financial accountability?

RECOMMENDATION: Staff recommends that the Commission adopt the CMIA and SR 99 Accountability Implementation Plan, Supplement 1 - Financial Accountability to further clarify the Commission's expectations for the administration, documentation, reporting and auditing of the bond funded projects.

BACKGROUND: In its *CMIA and SR 99 Accountability Implementation Plan*, adopted October 2007, the Commission emphasized program and project accountability and its intent to exercise programmatic oversight for the delivery of CMIA and SR 99 projects with regard to scope, cost, schedule and benefits consistent with the program objectives and executed project baseline agreements. At the May 2008 Commission meeting, Staff asked the Commission for guidance regarding several topics related to financial accountability, and the Commission discussed a series of scenarios which included such things as how bond funds should be classified, how expenditures are expected to be reimbursed, and how corrective plans would address deviations from the project baseline agreement and document scope, cost and schedule changes. The Commission also discussed expectations regarding cost increases, cost savings, and project splits and combines.

The attached *CMIA and SR 99 Accountability Implementation Plan, Supplement 1 – Financial Accountability* documents Staff's understanding of the Commission's expectations. Staff has considered input and feedback received from the Department of Transportation (Department), the Regional Transportation Planning Agencies and the Self-Help Counties Coalition. The following is provided to illustrate the thought process employed by Staff in developing this document:

1. The Commission has expressed concerns regarding project baseline amendments and the need to bring those to the Commission for approval. Accordingly, Staff will rely on the corrective plan provided by the project sponsor to document any deviations from the baseline, and these corrective plans will be reviewed quarterly in conjunction with the Quarterly Progress Report. Consistent with Government Code Section 8879.50(f), the Commission, as a condition for allocation of funds, requires the project sponsors to report on the activities and progress made toward implementation of the project. The purpose of this reporting is to ensure that the project is executed in a timely fashion, and is within the scope and budget identified when the decision was made to fund the project. Where project costs are anticipated to exceed the budget, corrective action is required. The Commission is expected to approve the corrective plan, direct the project sponsor to modify its plan, or take other appropriate action.
2. Staff has obtained contract bid and award information for recently executed CMIA construction contracts from the Department. The attached *Possible CMIA Savings @ Award* document is provided to communicate a recent trend in contractor bids as compared to the Engineer's Estimate and possible CMIA savings at contract award. Savings in this case are the mathematical difference between the baseline construction budget and the construction contract allotment at award proportioned to reflect CMIA funding ratios in the construction component. The Department is currently receiving favorable bid prices with the potential for substantial savings. However, Staff does not believe that these conditions are long lasting and current and projected economic factors may cause an upswing in construction costs.
3. Although the Commission does not support reprogramming anticipated savings in construction capital to fund preconstruction activities, Supplement 1 remains silent on this topic to give Staff and the Commission the flexibility to consider the applicability of this option on a case by case basis.

Attachments:

1. Accountability Implementation Plan Supplement 1 – Financial Accountability
2. Possible CMIA Savings @ Award
3. Accountability Implementation Plan, adopted October 2007

California Transportation Commission
Corridor Mobility Improvement Account (CMIA)
& State Route 99 (SR 99)

Accountability Implementation Plan

Supplement 1

Financial Accountability

General: The California Transportation Commission (Commission), in its program adoption actions for the CMIA and SR 99 programs, requested the development of project baseline agreements that set forth the agreed upon project scope, cost, schedule and expected benefits. These agreements include funding plans that account for the estimated cost of, and the start and completion dates for, the environmental, right of way, design (PS&E), and construction components of the project. These baseline agreements are considered the front-end document that forms the foundation for the Commission's in-progress and follow-up accountability.

The Accountability Implementation Plan for the CMIA and SR 99 programs was approved by the Commission in October 2007. This supplement is to further communicate to project sponsors and implementing agencies the Commission's expectations and specifically emphasizes financial accountability. The Commission will continue to exercise programmatic oversight for the delivery of CMIA and SR 99 projects with regard to scope, cost, schedule and benefits consistent with the program objectives and executed project baseline agreements.

Consistent with Government Code Section 8879.50(f), the Commission, as a condition for allocation of funds, requires the project sponsors to report on the activities and progress made toward implementation of the project. The purpose of this reporting is to ensure that the project is executed in a timely fashion, and is within the scope and budget identified when the decision was made to fund the project. Where project costs are anticipated to exceed the budget, corrective action is required.

The financial accountability requirements set forth in this document are not to be confused with the accounting of interregional and county share balances for the State Transportation Improvement Program (STIP), including the provisions of Streets and Highways Code Section 188.8 and Commission Resolution G-02-12 (G-12). Section 188.8 describes STIP shares and specifies, among other things, that the Commission will not adjust shares for cost changes that are within 20 percent of the programmed amount. Resolution G-12 delegates certain allocation authority to the Director of Transportation to adjust project allocations and modify project descriptions, and the Commission does not adjust STIP shares for adjustments made pursuant to that authority. Although these provisions mean that the Commission will not count certain costs against STIP shares, this does not authorize a project budget change for the CMIA or SR 99 Bond program. The Commission expects that any budget change—even if it would be covered by an increase in STIP funding that does

not count against STIP share—will be documented through quarterly progress reports and project-specific corrective plans.

For the purposes of this document, sponsors secure funding for projects and serve as project advocates. The sponsor chooses an Implementing Agency and is the customer of the Implementing Agency. There can be more than one partner sponsoring the project. In this case, partners act as co-sponsors with shared responsibility for securing funds for the project. Securing funds may mean arranging funding from a third party. For instance, the sponsor might submit a project for funding by the Commission. The fact that the Commission allocates funds does not mean that the Commission is a sponsor.

The Implementing Agency is that entity charged with the successful completion of each project component as defined in Government Code 14529 (b):

- 1) Completion of all permits and environmental studies (Environmental)
- 2) Preparation of plans, specifications, and estimates (PS&E)
- 3) The acquisition of rights-of-way (Right of Way)
- 4) Construction, construction management and engineering, including surveys and inspection (Construction)

There can be a different Implementing Agency for each component of a project. To ensure clear lines of responsibility, only one agency can be the Implementing Agency for a single component. Implementing Agencies are identified in the approved project baseline agreement for each of the project's components.

Bond Funds: The Commission programmed CMIA and SR 99 funds to projects based on a demonstration that the expected benefits resulting from the proposed improvements can be achieved at the conclusion of the project. The levels of CMIA and SR 99 funds were determined based on a proportion of the project's construction cost, and are considered a major investment toward achieving the benefits of the project. However, since all available funds from the CMIA and SR 99 accounts are already programmed in full, the Commission considers bond funds to be a "maximum and not to exceed" element of the project's funding plan as reflected in the approved project baseline agreement.

Bond Expenditures: Allocations of bond funds will not exceed those identified in the approved project baseline agreement. Expenditures and reimbursements of bond funds will be based on actual costs incurred and paid, and are expected to be reimbursed in proportion to the overall funding for each component as reflected in the approved project baseline agreement.

Quarterly Progress Reports and Corrective Plans: The Commission expects project sponsors to report quarterly on the activities and progress made towards the implementation of the project. The purpose of this reporting is to ensure that the project is executed in a timely fashion and is within the scope and budget identified when the decision was made to fund the project. The Commission recognizes that scope, cost and schedule changes may occur as the project evolves through the

project development process. The Commission expects the project sponsor to document these changes and to prepare a corrective plan for approval by the Commission whenever the project is not on target to meet its scope, cost, schedule or expected benefits identified in the approved baseline agreement. The corrective plan will be submitted with the Quarterly Progress Report to document and address such variances, and the Commission may approve the corrective plan, direct the project sponsor to modify its plan, or take other appropriate action. Projects that have not provided corrective plans, or those with corrective plans that have not received Commission approval, will be placed on a program “watch list”. The Commission has the discretion to determine whether a project on the “watch list” for two or more consecutive quarters will remain in the CMIA or SR 99 program.

The Quarterly Progress Report should include a status of project narrative that highlights accomplishments since the last report, current or ongoing activities, a discussion of any variances in the scope of the project, the planned schedule and projected cost of the various project components, and any impacts to the delivery of the project and its expected benefits. This narrative should identify and discuss any significant issues that may impact the implementation of the project including financial constraints and commitments, and potential risks and impacts. This narrative should also include a corrective plan which should address how such risks and impacts will be addressed and what corrective or preventative actions will be employed to turn the project in a way such that it better aligns with the approved baseline agreement.

The corrective plan should include background information that may be useful in understanding the root causes of the issues, how corrective and preventative actions will be executed to correct the issues, and how to avoid or mitigate reoccurrence of these issues in the future. The corrective plan should identify whether corrective actions have been initiated for this project in the past, what new actions are planned to be taken, and the target dates for complete execution of these actions. The corrective plan should also describe processes for managing risks and other activities that may impact execution of the corrective and preventative actions.

Project Cost Increases: The corrective plan must address alternatives to avoid the cost increase, and it may propose either down scoping the project to remain within budget or identifying alternative funding sources to meet the cost increase while still achieving the total expected benefits of the project, including outputs and outcomes.

The Commission expects the project sponsor to secure the necessary funding when the corrective plan recommends an increase in the cost to complete the project. When the project sponsor recommends supplemental funding from sources that are within the purview the Commission (Bond, STIP, TCRP, etc.), Commission approval for programming or allocations of these funds will be required. Conversely, when the sponsor is utilizing local (or local-federal) funds, the project sponsor shall provide a local board action or resolution committing the supplemental funding levels to the Commission.

When the corrective plan recommends an increase in the budget of the project's construction component in preparation for contract advertisement (or vote), the project sponsor will certify and provide a full funding plan that identifies the amount and source of existing and additional funds. The additional funds may be adjusted at contract award to credit the funding sources that contributed additional funds in the amount that is not necessary to fully fund the construction of the project.

When contract bid results necessitate the need for additional funding to award the contract, the project sponsor may recommend award of the contract only after securing the necessary additional funding. Upon contract award, a corrective plan including a revised funding plan that reflects the source and amount of these additional funds shall be provided to the Commission.

When additional funds are needed to complete remaining project activities after the construction contract is accepted, the project sponsor shall provide a funding plan that reflects the source and amount of these additional funds to the Commission.

Project Cost Savings: A financial closeout should be prepared at the completion of the Environmental and PS&E components and each of the Right of Way and Construction components. The financial closeout should reconcile the funding sources expended to the funding sources identified in the approved baseline agreement. Savings identified as a result of the financial closeout may be utilized to complete another component of the same project if recommended in an approved corrective plan.

When the cost to award the construction contract is lower than the total sum of allocated funds, the project sponsor shall provide documentation identifying a proportional credit to each of the respective funds shown in the original baseline agreement for the construction component. The project sponsor may consider crediting the funding source that contributed additional funds in preparation for contract advertisement prior to applying the proportional credits to the funding sources included in the original baseline agreement. Remaining funds will be de-allocated from the project at contract award, but will remain available to address any cost increases necessary to complete the project.

Bond savings de-allocated from the project at contract award may be utilized to supplement a funding plan for another project or contract only upon prior Commission approval. In this case the project sponsor must commit to funding any cost increases to ensure the completion of both projects – the original project where the savings were utilized and the resulting new project using the savings in bond funds.

Upon project close-out, remaining bond funds will be de-allocated and returned to the respective CMIA or SR 99 account.

Project Splits & Combines: When it is necessary to split a project into segments to facilitate its delivery, the scope, benefits, schedule, and cost of each of the individual segments combined must reconcile to the originally approved project

baseline agreement. Bond dollars will be distributed proportionately to each segment and must reconcile by component to the approved project baseline agreement. A corrective plan, including a funding plan, that documents the overall project and each of its individual segments shall be provided to the Commission for approval. Savings realized in segments delivered earlier will remain available to complete the entire project when the split was approved.

When a bond funded project is proposed to be combined with another project(s) for construction contract purposes, the project sponsor shall provide a corrective plan that reflects the cost of the combined project and each of its individual segments for Commission approval. This corrective plan must discuss impacts of the combined project on the delivery of the bond funded project, including benefits, risks, and funding commitments to complete the combined project.

Record Keeping and Audits: Implementing agencies and project sponsors are expected to maintain a system of record keeping and internal controls to enable accurate and timely reporting of any changes to the scope of work, schedule and actual costs on a monthly basis. Financial records will be maintained in accordance with Generally Accepted Accounting Principles. Financial audits may be performed at any time during the progress of the bond funded project. These audits will determine whether the costs claimed are allowable, allocable, reasonable, and in compliance with applicable laws, regulations and policies, bond program guidelines, and project baseline agreements. The audits will be conducted in accordance with Generally Accepted Government Auditing Standards. The audits will include tests of the implementing agency's and project sponsor's accounting and project records and other auditing procedures considered necessary. Unsupported or unallowable costs are expected to be reimbursed by the project sponsor.

Possible CMIA Savings @ Award

Project Info			Baseline Agreement			Contract Bid Results			Contract Award			
Project Title	Co	Rte	Const Capital	CMIA Amt	% CMIA	Engineer's Estimate	Low Bid	% Under	Award Date	Const Allotment	Savings (Baseline - Allotment)	Approx. CMIA Savings
Lincoln Bypass	PLA	65	\$210,000	\$73,715	35%	\$171,461	\$137,136	20.02%	Jun-08	\$166,702	\$43,298	\$15,199
I-80 Improvments Phase 2	PLA	80	\$64,782	\$17,700	27%	\$43,665	\$27,472	37.08%	May-08	\$31,200	\$33,582	\$9,175
I-80 HOV Lanes	SOL	80	\$53,210	\$37,833	71%	\$49,038	\$26,520	45.92%	Apr-08	\$29,550	\$23,660	\$16,823
Angels Camp Bypass	CAL	4	\$31,965	\$4,438	14%	\$29,210	\$23,823	18.44%	Oct-07	\$26,030	\$5,935	\$824
Managed Lanes So Segment - Unit 3	SD	15	\$90,000	\$90,000	100%	\$73,574	\$66,869	9.11%	Feb-08	\$79,026	\$10,974	\$10,974
Managed Lanes So Segment - Unit 1	SD	15	\$85,000	\$85,000	100%	\$67,607	\$48,380	28.44%	May-08	\$57,616	\$27,384	\$27,384
Route 5/805 North Coast - Unit 1	SD	5	\$43,038	\$24,500	57%	\$39,549	\$36,345	17.01%	Aug-07	\$36,190	\$6,848	\$3,898
CMIA Savings											\$84,277	

California Transportation Commission

Corridor Mobility Improvement Account & State Route 99

Accountability Implementation Plan

I. Background

Proposition 1B enacted by a vote of the people of California on November 7, 2006, authorized the issuance of \$19.925 billion in State general obligation bonds for specific transportation programs such as the Corridor Mobility Improvement Account (CMIA), State Route 99 (SR 99), Trade Corridors Improvement Fund (TCIF), State and Local Partnership Program, State and Local Transit Program, Local Bridge Seismic Program, Grade Separation Program, and the augmentation of the existing State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP). Consistent with the requirements of Proposition 1B, the California Transportation Commission (Commission) programs and allocates bond funds in each of the above-mentioned programs.

In clarifying legislation to Proposition 1B, on August 24, 2007, the Governor signed into law Senate Bill 88 (SB 88) which designates the Commission as an administrative agency for the CMIA, SR 99, TCIF, STIP, State and Local Partnership Program Account; Local Bridge Seismic Retrofit Account; Highway-Railroad Crossing Safety Account; and SHOPP funded by Proposition 1B. SB 88 imposes various requirements for the Commission relative to adopting program guidelines, making allocations of bond funds, and reporting on projects funded by the bond funds.

In addition, Executive Order S-02-07, issued by Governor Arnold Schwarzenegger on January 24, 2007, significantly increases the Commission's delivery monitoring responsibility for the bond funded projects. Specifically, the Commission is required to develop and implement an accountability plan, with primary focus on the delivery of bond funded projects within their approved scope, cost and schedule.

II. Applicability

This Accountability Implementation Plan (Plan) is applicable to the CMIA and SR 99 programs, but may also be used for other programs as directed by the Commission. This Plan is intended to supplement the Commission's CMIA Program Guidelines, adopted on November 8, 2006, and SR 99 Program Guidelines, adopted on December 13, 2006. This Plan becomes effective immediately upon approval, and may be amended at anytime, by the Commission.

III. Purpose

Proposition 1B funded projects are highly complex, representing significant costs, constrained schedules, and are subject to many project delivery processes each with considerable impacts to timely project delivery. This Plan

is to communicate the Commission's expectations and specifically emphasizes program and project accountability. Specifically, as described in this Plan, the Commission intends to exercise programmatic oversight for the delivery of CMIA and SR 99 projects with regards to scope, cost, schedule and benefits consistent with the program objectives and executed project baseline agreements.

IV. Program Accountability

The Commission has taken several actions related to the CMIA and SR 99 programs that are commensurate with Proposition 1B provisions, Governor's Executive Order S-02-07, and the Budget Act of 2007 including associated legislation (i.e., SB 88). Specifically, this Plan will describe the Commission's accountability structure that is intended to allow for transparent and effective decisions and the timely delivery of transportation system improvements and resulting benefits. The following describes the components of this accountability structure:

A. Front-End Accountability

Establishing the initial programs for CMIA and SR 99 involved the development of program guidelines that included the Commission's policy and expectations for project nominations and selection criteria. The Commission adopted CMIA Program Guidelines on November 8, 2006 and SR 99 Program Guidelines on December 13, 2006. The program development process allowed for public input and took into consideration statewide, regional and local priorities and needs. Initial programs included projects that were nominated by the Department of Transportation (Caltrans) and regional transportation planning agencies (RTPAs). In its program adoption actions, the Commission requested the development of project baseline agreements that would consequently be signed by the RTPA's executive director, the Caltrans' director, and the Commission's Executive Director. The baseline agreements set forth the agreed upon project scope, schedule, cost and expected benefits. These agreements also include the estimated cost of and the start and completion dates for the environmental, right-of-way, design, and construction phases of the project. The baseline agreement is considered the front-end document that forms the foundation for the Commission's in-progress and follow-up accountability.

B. In-Progress Accountability

The following outlines the in-progress accountability steps the Commission intends to employ in order to assure that bond-funded projects are successfully delivered consistent with CMIA and SR 99 program objectives and project baseline agreements.

1) Ongoing Program Monitoring and Review

Implementing agencies are responsible for managing the scope, cost and schedule of the project consistent with the adopted programs and executed baseline agreements. Commission staff shall receive routine program and project progress reports from Caltrans for all CMIA and SR 99 projects. Commission staff may also schedule routine status meetings with implementing agencies, and will perform routine assessments of project progress as compared to the executed baseline

agreements. The purpose of this assessment is to identify possible issues of concern, establish an understanding of related impacts, and prepare agenda items for the Commission. Commission Staff anticipates placing projects that are unable to maintain delivery and cost commitments on a "watch list". The Commission has the discretion to determine whether a project on the "watch list" remains in the CMIA or SR 99 program.

2) Project Delivery Thresholds

Commission staff will develop thresholds for variances to approved project scope, schedule, cost and benefits. The purpose of these thresholds is to identify potential concerns early in the process so that prompt corrective action can be taken by implementing agencies to minimize impacts to the project. Commission staff may also utilize these thresholds to place projects on the "watch list".

3) Project Delivery Council

The Project Delivery Council (Council) will assist Commission staff in the development of project delivery thresholds and in monitoring project progress against the executed baseline agreements. The Council will also assist Commission staff in evaluating corrective actions and strategies provided by implementing agencies, and in reviewing resulting amendments to project scope, cost, schedule or benefits.

4) Program or Project Amendments

The Commission will consider program or project amendments at its regular meetings. Program or project amendments requested by implementing agencies shall receive the approval of the same entities that originally signed the project baseline agreement before presentation to the Commission. Amendment requests shall include documentation that supports the requested change and its impact on the scope, cost, schedule or benefits. Caltrans shall coordinate all amendment requests for all CMIA and SR 99 projects, and shall utilize a Program Change Request (PCR), or similar form, to document the requested change. Commission staff may perform additional analysis to ensure a full understanding of the resulting impacts. This information will be discussed with the Project Delivery Council prior to presentation to the Commission for action.

5) Allocation of Funds

The Commission will allocate funds only when the implementing agency is ready to start (or continue) work and requests an allocation for that work included in the executed project agreement. The allocation will specify the amount of funds allocated to each phase of work. The Commission will consider allocation requests on its regular agenda.

6) Program Reports

a) Quarterly Progress Reports

Caltrans, in cooperation with agencies signatory to the baseline agreements, will report to the Commission each quarter on the

status of each project in the CMIA and SR 99 programs. The quarterly progress report shall include information appropriate to assess the current state of the project. The progress report shall include approved budgets, actual expenditures, and forecasted cost for each funding source and for each phase as identified in the baseline agreement. The progress report shall also include approved schedules, progress to date, and forecasted completion dates of each phase as identified in the baseline agreement. In addition, the report shall identify and discuss any significant issues that may impact implementation of the project including financial constraints and commitments, and programmatic risks and impacts. Commission staff will use this progress report to identify issues and concerns that will be discussed with the Project Delivery Council or presented to the Commission for further action.

b) Semi-Annual Reports

The Commission, in cooperation with Caltrans, will provide semi-annual reports to the Department of Finance (Finance) and the Legislature on the status of each program. The purpose of the report is to communicate that projects are being executed in a timely fashion and are within the scope and budget identified in the executed baseline agreements. The semi-annual report shall indicate whether the Commission has approved a corrective plan by the implementing agency for achieving the benefits of a project that is anticipated to exceed the approved baseline budget. The corrective plan shall clearly state whether the project is being down scoped to remain within budget or whether an alternative funding source has been identified to meet the cost increase. Corrective plans will be reviewed by Commission staff, and will be discussed with the Project Delivery Council, before presentation to the Commission for approval.

c) Annual Reports

The Commission will provide in its annual report to the Legislature a summary of its activities relative to the administration of the CMIA and SR 99 programs. This report may also discuss significant issues with these programs, and may recommend legislative proposals that could facilitate their implementation.

C. Follow-Up Accountability

1. Final Delivery Report

Within six months of the project becoming operable, the Department shall provide a final delivery report to the Commission on the scope of the completed project, its final cost, duration, and performance outcomes as compared to those included the executed project baseline agreements. The final delivery report shall be supplemented at the completion of the project to reflect final project expenditures at the conclusion of all project activities. The Commission may include this information in its semi-annual or annual reports to Finance or the Legislature, respectively.

For purposes of these reports, projects are considered to be operable at the end of the construction phase when the construction contract is

accepted. Project completion occurs at the conclusion of all remaining project activities beyond the acceptance of the construction contract.

2. Corridor System Management Plans

Another related accountability feature of CMIA and SR 99 will be the implementation of a corridor system management plan (CSMP). The CSMP, which involves the development of comprehensive agreements along a corridor, will assess current performance, identify casual factors for congestion, and based on testing of alternative improvement scenarios (typically through micro or macro-simulation) propose the best mix of improvements, strategies and actions to restore throughput, improve travel times, reliability, safety, and preserve the corridor. The Department shall report to the Commission such findings and recommendations included in the CSMP. The Department shall also report the status of any projects that have been initiated as a result of the CSMP implementation on a semi-annual basis thereafter. The Commission may include this information in its semi-annual or annual reports to Finance or the Legislature, respectively. The Commission may also consider this information in future State Transportation Improvement Program (STIP) development activities.

3. Audits of project expenditures and outcomes

Audits of project expenditures and outcomes shall be performed in accordance with Generally Accepted Government Auditing Standards promulgated by the United States Government Accountability Office. These audits shall provide a finding on the following:

- Whether project costs incurred and reimbursed are in compliance with the executed project baseline agreements or approved amendments thereof; state and federal laws and regulations; contract provisions, and; Commission guidelines.
- Whether project deliverables (outputs) and outcomes are consistent with the project scope, schedule and benefits described in executed project baseline agreements or approved amendments thereof.

At a minimum, the following audits shall be performed. Additional audits, if deemed necessary, may be requested by the Commission during the implementation phases of the project.

A. Semi-final Audit

Within six months of the final delivery report of the project, the Department shall provide the Commission with a semi-final audit report for each project in the CMIA and SR 99 Programs.

B. Final Audit

Within six months of the date of project completion, the Department shall provide the Commission with a final audit report for each project in the CMIA and SR 99 Programs. This report shall be a supplement to the semi-final report and shall provide findings on total project expenditure and final project outcomes.