



SH 249 SYSTEM QUARTERLY CONSTRUCTION PROGRESS REPORT

September 1 thru November 30, 2019



Prepared by: Brown & Gay Engineers, Inc.



30 January 2020

Mr. Benjamin H. Asher
TxDOT Director, Project Finance, Debt and Strategic Contracts Division
125 East 11th Street
Austin, TX 78701

RE: SH 249 System
Quarterly Construction Progress Report for Fiscal Quarter Ended November 30, 2019

Dear Mr. Asher,

As the General Engineering Consultant to the SH 249 System and in accordance with Section 407 of the Master Trust Agreement dated February 1, 2019 between the Texas Transportation Commission and U.S. Bank National Association, as Trustee (the "Master Trust Agreement"); BGE, Inc. submits the Quarterly Construction Progress Report for the SH 249 System. This report covers quarterly construction progress from September 1st to November 30th, 2019.

As described in the requirements set forth in Section 407 of the Master Trust Agreement, the General Engineering Consultant shall prepare a progress report at least quarterly during the acquisition and construction of System Segments with Obligations, by the last day of the second month after each fiscal quarter, commencing with the first full fiscal quarter after delivery of the initial Obligations or Obligations financing such System Segment. The quarters used for reporting is based on the Department's fiscal year.

The Department adheres to the requirements outlined in the Master Trust Agreement which governs the acquisition or construction of such SH 249 System financed with Obligations. As specified in the Master Trust Agreement, this report includes current estimates of: (i) the date on which such System Segment will be opened for Traffic which is found in the Current Project Schedule section of the report (page 11), (ii) the Estimated Date of Completion and an estimated date of Substantial Completion of such System Segment, also discussed in the Current Project Schedule section (page 11), (iii) the cost of such System Segment, but excluding any Obligation discount, and the interest during construction and for one year after completion of construction

found in the System Cost Status section of the report (page 20), (iv) the amount of funds required each six (6) months during the remaining estimated period of construction to meet the above described cost of such System Segment exclusive of funds provided for construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between the actual times elapsed and the actual costs, and the original estimates of such times and costs found in the System Cost Status section of the report (page 20), and (v) a general description of the construction progress and estimated completion date of Segment 2 found in Construction Status section (page 14).

Sincerely,

DocuSigned by:
Chris Kuykendall
6B1226E59CA346F...
Chris Kuykendall, P.E.
Principal
BGE, Inc



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ACRONYMS AND ABBREVIATIONS

BGE	Brown & Gay Engineers, Inc.
CMA	Capital Maintenance Agreement
CO	Change Order (addition to scope)
CSBE	Concrete Stabilized Backfill Embankment
DB	Design-Build
DBA	Design-Build Agreement
DBE	Disadvantaged Business Enterprises
EJ	Engineering Judgement
FA	Final Acceptance
FHWA	Federal Highway Administration
FM	Farm to Market Road
FPAU	Financial Plan Annual Update
FY	Fiscal Year
GEC	General Engineering Consultant
HCTRA	Harris County Toll Road Authority
IQF	Independent Quality Firm (aka QA)
MCTRA	Montgomery Toll Road Authority
NCR	Non-Compliance Report
NTP	Notice to Proceed
OV	Owner's Verification Firm
PBS	Project Baseline Schedule
PAAA	Project Utility Adjustment Agreement
QA	Quality Assurance (aka IQF)
QC	Quality Control
ROW	Right-of-Way
SC	Substantial Completion (Open to Traffic)
SH	State Highway
T&R	Toll & Revenue
TOD	Toll Operations Division (of TxDOT)
TxDOT	Texas Department of Transportation
UAAA	Utility Adjustment Agreement Amendment
UPRR	Union Pacific Railroad
USACE	United States Corps of Engineers
US	United States Highway
WOTUS	Waters of the United States

Executive Summary

The SH 249 Project (the “Project”) is a proposed 25.5-mile new-location roadway in Montgomery and Grimes Counties, northwest of Houston, developed by the Texas Department of Transportation (“TxDOT”). The Project begins at the current terminus of State Highway (SH) 249 frontage roads at Farm to Market (FM) 1774 in Pinehurst, Texas (Montgomery County) and extends to SH 105 near Navasota, Texas (Grimes County). The Project consists of (a) 14.8 miles of four new toll lanes Pinehurst to FM 1774 in Todd Mission (“Segment 1” or the “System”) and (b) an additional 10.7 miles of two non-tolled lanes from FM 1774 in Todd Mission to SH 105 near Navasota (“Segment 2”) which is not part of the System established pursuant to the Master Trust Agreement between the Texas Transportation Commission (the “Commission”) and U.S. Bank National Association, as Trustee (the “Master Trust Agreement”). The Project provides greater mobility for residents and travelers in northwest Houston to the portions of the Tomball Tollway being built by Montgomery County Toll Road Authority (MCTRA) and Harris County Toll Road Authority (HCTRA). When all portions of the freeway are connected, users will have improved access to other major freeways in northwest Houston including the Grand Parkway and the Sam Houston Tollway.

The Project is being designed and constructed utilizing a lump sum Design-Build Agreement (the “DBA”) executed on October 3, 2017 with the selected best value proposer, WBCCI, LLC (the “DB Contractor”), after a competitive selection process. The DB Contractor is responsible for the design, construction, and optional partial maintenance of the Project. The design-build delivery method is being implemented in accordance with TxDOT and Federal Highway Administration (FHWA) requirements and provides more cost and schedule certainty over traditional delivery projects. Section 1A, from FM 1774 to FM 1488, is anticipated to be open to traffic during the summer of 2020 which is earlier than the prior anticipated opening date of March 15, 2021. Section 1B, from FM 1488 to FM 1774, is anticipated to open to traffic on March 15, 2021. Segment 2 is anticipated to be open to traffic in January 2023 which was amended to correspond with the United States Corps of Engineers (USACE) issued 404 Permit (as defined herein) for Segment 2. See “Current Project Schedule.”



The current estimated total cost to develop the Project is \$786.0M (Segment 1 - \$515.5M and Segment 2 - \$270.5M) as of November 30, 2019. This estimated cost includes the negotiated DBA price for design, construction, and all other services required to deliver the Project per the DBA; utility relocation; Right-of-Way (ROW) costs to acquire necessary property to design, construct, and maintain the Project; tolling equipment and integration; environmental mitigation; TxDOT administration costs; and reasonable Project contingency. Funding for the Project is provided through a combination of Federal, State of Texas, and local government funds (Montgomery County) as well as proceeds of Obligations issued pursuant to the Master Trust Agreement for Segment 1 only (the tolled portion of the Project). Segment 1 (tolled) and Segment 2 (non-tolled) are funded separately even though both segments are being constructed under the same DBA. Maintenance responsibilities will be shared between TxDOT and the DB Contractor pursuant to a Capital Maintenance Agreement (CMA) Notice to Proceed to the DB Contractor 180 days prior to the scheduled Substantial Completion. The costs for operations and maintenance of the Project, including roadway and toll collection system elements, are not included in the total Project development cost estimate.



Purpose of the Report

Per Section 407 of the Master Trust Agreement, the GEC shall prepare a progress report by the last day of the second month after each fiscal quarter, during the acquisition and construction of any portion of a System Segment which is financed in whole or in part with Obligations, commencing with the first full fiscal quarter after the delivery of the initial Obligations or Obligations financing an additional System Segment as defined in the Master Trust Agreement.

As the GEC to TxDOT for the System, and in accordance with the requirements set forth in Section 407 of the Master Trust Agreement, Brown and Gay Engineers, Inc. (“BGE”) has prepared this Quarterly Construction Progress Report that describes the Project, schedule, construction progress, and estimates of construction, operation and maintenance costs of the proposed System (Segment 1). This report presents BGE’s opinion on the reasonableness of the schedule and cost estimates for the Project (see “GEC Findings” herein.)

Figure 1: Project Location Map

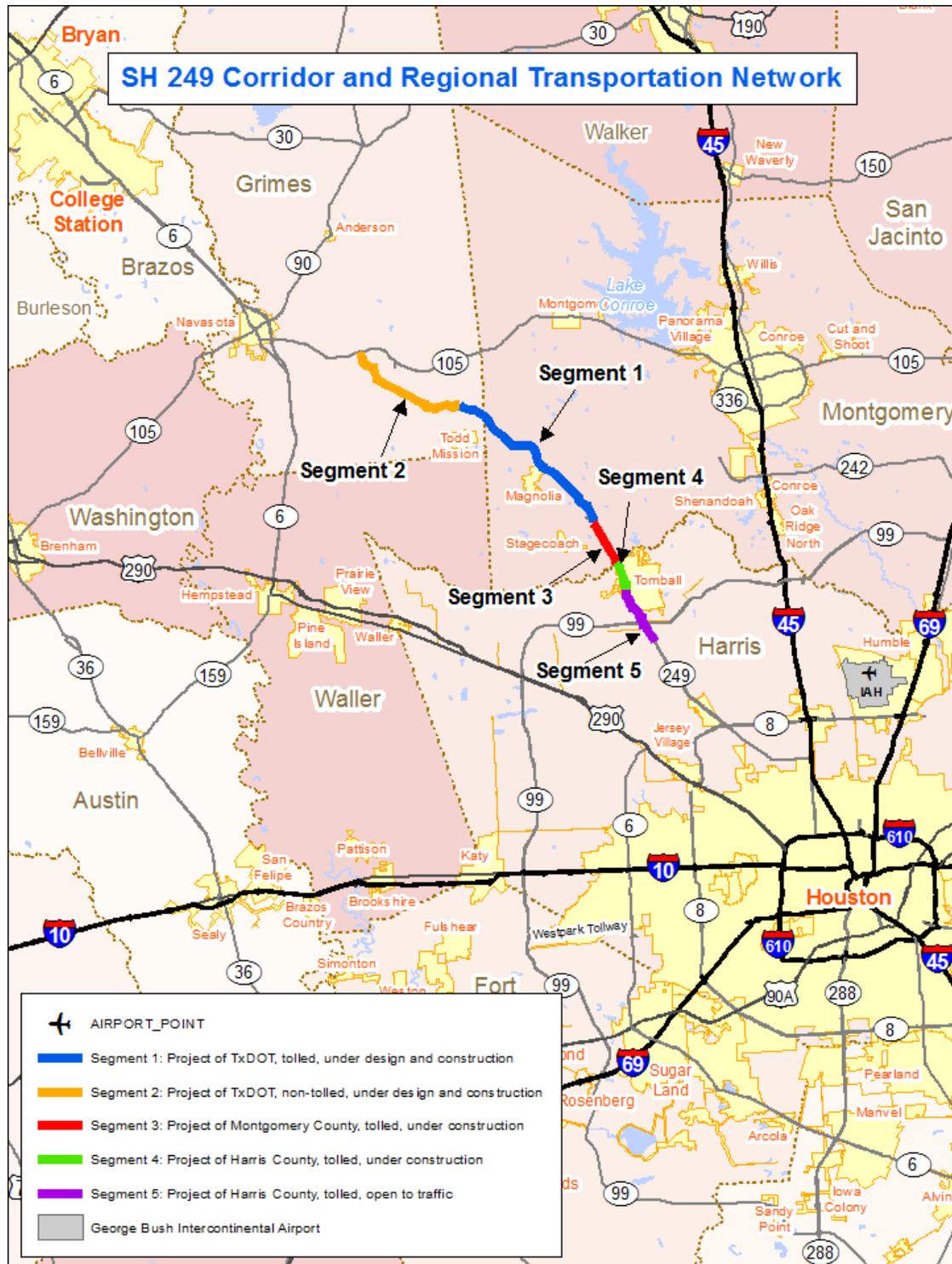
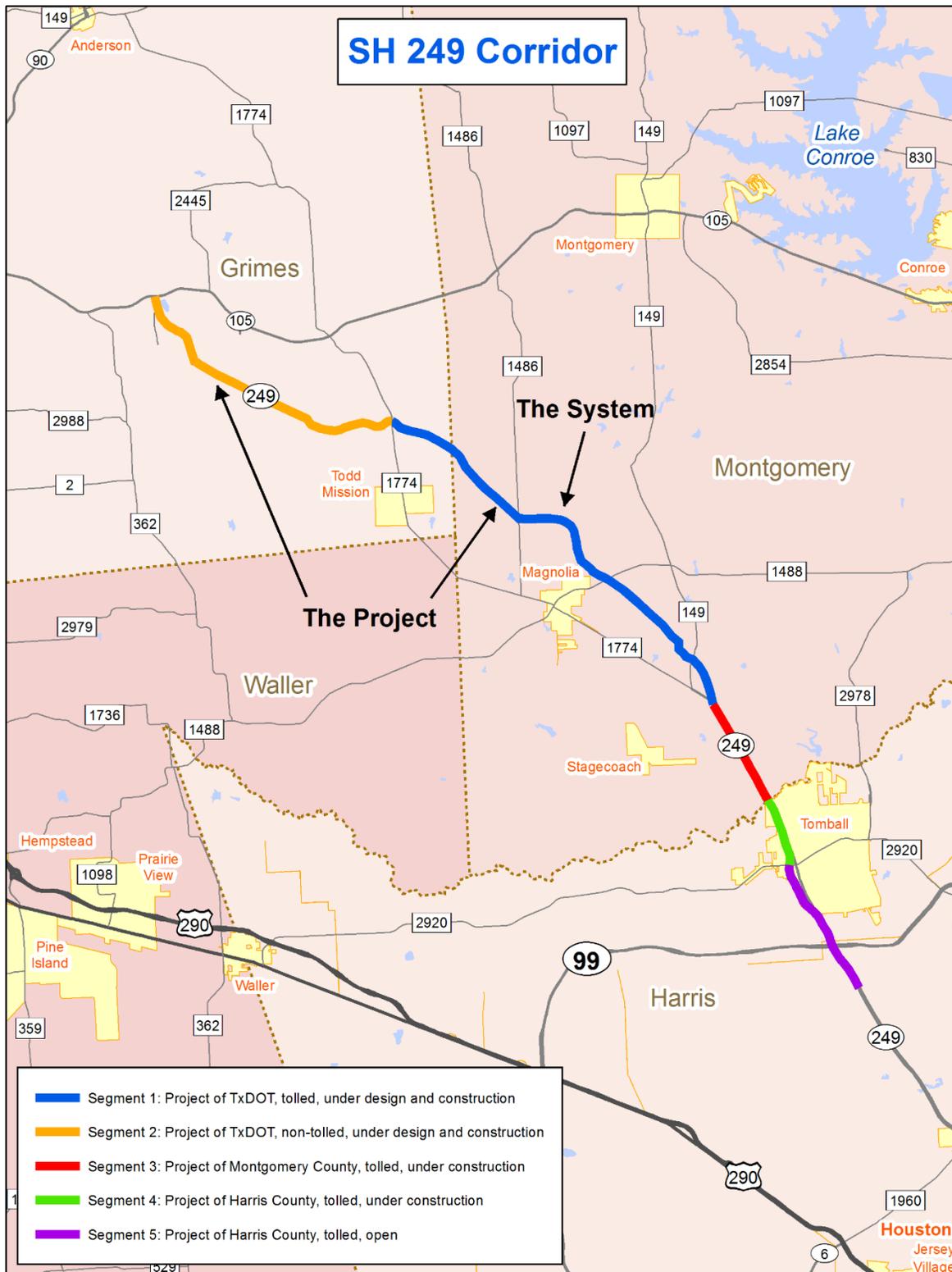


Figure 2: SH 249 Extension Segments 1 – 5



Current Project Schedule

Segment 1 and Segment 2 of the Project are running on different design and construction schedules to allow Segment 1 to open to traffic before Segment 2.

While developing the Toll & Revenue (T&R) study, TxDOT's consultants accounted for the staggered opening dates. TxDOT is moving forward with two separate opening dates for the different segments.

Table 1: Project Milestones

Project Milestone	Original Milestones	Q3, FY 2019	Q4, FY 2019	Q1, FY 2020
Contract Execution	October 3, 2017	October 3, 2017	October 3, 2017	October 3, 2017
NTP1 ²	October 4, 2017	October 4, 2017	October 4, 2017	October 4, 2017
Segment 1 Limited NTP2	October 25, 2017	October 25, 2017	October 25, 2017	October 25, 2017
Segment 1 NTP2	March 15, 2018	March 15, 2018	March 15, 2018	March 15, 2018
Segment 2 Limited Design NTP	June 7, 2018	June 7, 2018	June 7, 2018	June 7, 2018
Segment 2 Limited Construction NTP	October 15, 2018	October 15, 2018	October 15, 2018	October 15, 2018
Segment 2 NTP2	Spring 2019	Q1 FY 2020 ¹	August 5, 2019	August 5, 2019
Segment 1 Substantial Completion (Open to Traffic)	March 15, 2021	March 15, 2021	March 15, 2021	March 15, 2021 ⁴
Segment 1 Final Acceptance	July 2021	July 13, 2021	July 13, 2021	July 13, 2021
Segment 2 Substantial Completion (Open to Traffic)	September 2022	Q2 FY 2023 ¹	January 6, 2023	June 5, 2023 ³
Segment 2 Final Acceptance (Anticipated)	Q3 FY 2022	Q3 FY 2023 ¹	May 6, 2023	Oct 3, 2023 ³
¹ Q3 represents tentative dates that became contractual when NTP2 for Segment 2 was issued.				
² Notice to Proceed (NTP) is TxDOT's formal correspondence to the DB Contractor to proceed with a major work item.				
³ TxDOT provided the DB Contractor an additional 150 days for Segment 2 construction via a Directive Letter dated September 18, 2019.				
⁴ Section 1A is anticipated to open in the summer of 2020 to align with the opening to traffic of Segment 3 by MCTRA (see Figure 1 hereof).				

Each month, BGE reviews the DB Contractor's construction Project Baseline Schedule (PBS) to verify that the schedule accurately reflects work completed during the previous pay period. During this review, BGE's staff compares the schedule to contractual requirements, prior months and other factors such as weather. BGE then reviews the reported construction progress to field observations and inspection reports to verify that the progress reported by the DB Contractor is accurate.

Based on the PBS dated December 9, 2019, the DB Contractor is on track to meet the Project Milestones shown above in Table 1 (and also noted in the PBS), is anticipated to complete work ahead of schedule.

TxDOT currently anticipates opening Section 1A of the System to traffic during the summer of 2020 and Section 1B of the System by scheduled Substantial Completion (SC) on March 15, 2021. The opening Section 1A of the System will allow for early traffic access and early toll collection to begin. TxDOT will determine that SC is met when the roadway is generally complete and safe for the public. The DB Contractor may finish minor cleanup/punch list work for items such as painting, landscaping or other aesthetic finishes between SC and Final Acceptance (FA).

The DB Contractor is required to meet Substantial Completion of the System by March 15, 2021. If the DB Contractor fails to meet Substantial Completion, it is obligated to pay daily liquidated damages to TxDOT to cover any loss of revenue which TxDOT can then use to satisfy its obligations under the Master Trust Agreement. The March 15, 2021 deadline could be impacted if TxDOT adds scope or experiences a Force Majeure event as outlined in DBA Section 13.8.

Additionally, the FA for the System is scheduled for July 13, 2021 which represents that all construction and close-out activities must be completed.

The construction schedule for Segment 2 is linked to final approval of an environmental permit (the 404 Permit) from the USACE. TxDOT received the 404 Permit from the USACE and issued the NTP2 for Segment 2 on August 5, 2019. The 404 Permit was expected in April 2019 but was delayed when the USACE requested additional investigation of a potentially historic site outside of the Project's ROW limits but on an effected parcel. Reaching NTP 2 allowed the DB Contractor to move forward with all construction activities on Segment 2.

As of November 30, 2019, SC and the opening of traffic for Segment 2 is scheduled to occur on June 5, 2023. The DB Contractor is anticipated to achieve FA of Segment 2 by October 3, 2023. The Segment 2 dates were extended by an additional 150 days to account for additional work within the Segment 2 construction limits. The additional work is related to new grade separated intersections and widening of the shoulders to improve safety. This work is part of a pending CO that complies with the terms of the DBA

Based on our review of the current PBS, BGE, Inc. believes that the DB Contractor and TxDOT can meet the milestones shown in Table 1 on page 11 of this Report.

Current Project Progress

For the Project, the design and construction activities are divided between Segment 1 (the System) and Segment 2. The Obligations were issued to finance the System; however, the opening of Segment 2 will impact the traffic volume on the System, so this section covers the status of both Segments.

The progress of the Project is discussed in greater detail in the following “Status” sections.

Design Status

The design for Segment 1 began when TxDOT issued NTP1 on October 4, 2017. This allowed the DB Contractor to begin the design of all elements of Segment 1. As of November 30, 2019; the status of Segment 1 design is 99% complete. The remaining 1% is withheld for any revisions that are required based on unknown field conditions that will require design changes prior to TxDOT accepting the as-built plan set. BGE, currently anticipates that the DB Contractor will open Segment 1 to traffic by the contractual deadline of March 15, 2021.

The design for Segment 2 began on June 7, 2018. As of November 30, 2019, the design for Segment 2 is roughly 90% complete and the design efforts are progressing as expected. Substantial progress was made since the previous report and Parsons Transportation Group, the design engineer for the Project, has been providing the substantial work the past 3 months. Segment 2 is scheduled to open to traffic on June 5, 2023 due to a pending CO for additional widening and overpasses. The additional work has been accounted for in the current design; however, the CO is not complete. Until the final terms of that CO are determined, BGE cannot verify the likelihood of the opening of Segment 2 by June 2023.

Right-of-Way Status

As of November 30, 2019, all parcels required for Segment 1 are in TxDOT’s possession and all parcels have been released for construction for Segment 2. ROW acquisition will not have impact on the Project or the remaining schedule.

Utility Status

The DB Contractor continues to work with the various utility owners in Segment 1 and Segment 2 of the Project; in addition to working with TxDOT to finalize the utility agreements so that utility owners can be reimbursed for the respective portions of their work. These agreements allow TxDOT to track the utilities in the ROW to avoid them during future activities. During Q1 Fiscal Year 2020, no additional utilities were identified within Segment 1 limits.

As of November 30, 2019, the utility status for Segment 1 is shown in [Table 2](#):

[Table 2: Segment 1 Utility Status](#)

Segment 1 Utility Status									
	PUAA			UAAA ¹			Total		
	Q3 FY '19	Q4 FY '19	Q1 FY '20	Q3 FY '19	Q4 FY '19	Q1 FY '20	Q3 FY '19	Q4 FY '19	Q1 FY '20
Anticipated	20	24	24	3	3	3	23	27	27
Executed	17	22	23	3	3	3	20	25	26
% Executed	85%	92%	96%	100%	100%	100%	87%	93%	96%

Construction Status

The DB Contractor began construction activities in Segment 1 on March 15, 2018 and has continued to work diligently since that date. The DB Contractor started by clearing trees, grasses and underbrush. This was followed by rough grading work to create a stiff, dense general roadway profile made of soil, in order for the next phases of construction to follow. Once the rough grade was established, heavy equipment was brought in to begin placing drainage pipe at small water crossings and to build the foundations for bridge structures. Currently, the DB Contractor completed 70% of all construction work activities for Segment 1. Moving forward, the DB Contractor will focus on the placement of bridge deck, bridge rail and the placement of concrete pavement.

The DB Contractor began construction activities in Segment 2 on October 15, 2018 on parcels that were in TxDOT possession and not impacted by the 404 Permit. The construction activities included clearing, rough grading, utility relocation and some bridge work. TxDOT received the 404 Permit and issued NTP 2 on August 5, 2019. With the 404 Permit & NTP 2, the DB Contractor

has full authority to move forward with all construction activities within Segment 2. Currently, the DB Contractor has completed 20% of the Segment 2 construction activities.

Construction of the Tolling System

TxDOT's Toll Operations Division (TOD) worked with TransCore, the statewide toll systems integrator, to finalize a System specific contract. During Q4 Fiscal Year 2019, Atkins, Inc, TOD's design consultant; completed the design efforts for the tolling work of the System. The DB Contractor is responsible for the earthwork and paving and TransCore will construct and install the tolling infrastructure.

TxDOT held a tolling kick off meeting on April 30, 2019 to ensure that TxDOT, TransCore, Atkins and the DB Contractor all have the same understanding of timelines and turnover requirements. It was determined that follow up meetings would occur so that all parties can discuss the current status and begin scheduling TransCore construction activities.

As of November 30, 2019, TransCore is actively completing portions of the construction on the tolling system work. TransCore is coordinating work directly with the DB Contractor for access to specific sites to avoid conflicting operations and damage to each other's work. TransCore has built most of the Section 1A toll gantries and a portion of the Section 1B gantries. The gantries are critical for TransCore to order the horizontal steel that houses the tolling equipment.

Construction Quality Status

TxDOT and the DB Contractor work together with the Quality Control (QC)/Quality Assurance (IQF) and the Owner's Verification (OV) to ensure that all materials pass a strict inspection and testing program. The DB Contractor is responsible for the QC inspections on all material placed within in the Project limits. Once the QC approves the material, the DB Contractor gives notice to the IQF firm that conducts official materials sampling and testing. The IQF firm is responsible for the official acceptance of materials. To ensure accurate reporting, TxDOT hired a separate firm, the OV testing firm, who conducts random inspections and testing of material and procedures on the part of TxDOT. The IQF firm for the DB Contractor is Raba Kistner who has significant work experience in Texas. The OV firm hired by TxDOT for the Project is SAM-Construction Services LLC. SAM-CS is also a Texas based firm with an experienced inspection and testing staff.

During the first quarter of FY 2020, IQF conducted 2,173 inspections and the OV firm conducted 593 inspections. During this period, the IQF team took 1,324 material samples while OV firm made 392 material samples.

During the current quarter, ten Non-Conformance Reports (NCRs) for inspections or materials did not pass all the standards. Nine NCRs were closed with the replacement or repair of the material. The remaining NCR still open will be addressed when all information is collected, and final strength is determined.

Finally, the Project had 26 IQF Engineering Judgements (EJ) during the quarter. An EJ is a sample that has minor irregularities but does not fully fail material standards. All 26 of the Project EJs are related to sieve analysis for aggregate gradation on a sieve. This is a common occurrence on all transportation projects and typically does not impact the overall final quality.



Public Information Status

The DB Contractor is responsible for the daily public outreach for the Project. In this role, the DB Contractor hired a 3rd party public relations firm with local ties to ensure that they are meeting with the key shareholders in a way that is best for the local stakeholders. The public information team conducts routine outreach for all lane closures, changes to existing intersecting roadway alignments and upon request from local organizations or governmental groups. The public information team did not hold meetings to discuss the general construction progress during the first quarter of FY 2020. The public information team remains focused on answering calls, questions and emails from citizens and local officials as they come into the office.

Executed Change Orders

TxDOT did not execute COs for changes to work or time within the Project limits during the first quarter of FY 2020. Table 3 below shows the currently executed and pending COs.

During the first quarter of FY 2020, TxDOT reduced the DBA cost by \$100,000. This occurred when the DB Contractor requested to change the Project Manager from David Casteel to Hunter Lehrman. TxDOT elected to reduce the DBA cost by \$100,000 for the replacement. Hunter will still ensure that the Project is completed, and the DB Contractor is still liable for all previous terms of the contract.

It is also of note that on December 11th, 2019, TxDOT executed CO#15 which was a contractual price adjustment linked to the final approval of the 404 Permit and issuance of Segment 2 NTP 2. This CO increased the Segment 2 cost by \$9,063,740.00. TxDOT will finance this increased cost using lawfully available funds in the State Highway Fund.

Table 3: Executed and Pending Change Orders

Change Order No.	Project Segment	Description	Status	Date Executed	Time Impact (days)	Cost Impact (\$)
1	1	Audubon Driveways	Executed	Aug. 16, 2018	-	724,451.72
2	1	98 Day Extension	Executed	Aug. 16, 2018	98	0.00
3	1	Floodway Bridges	Executed	Nov. 16, 2018	150	12,772,814.77
4	1	CCTV Pole Spacing	Executed	Sept. 19, 2018	-	(146,415.00)
5	1	Terra Utility Sleeves	Executed	Dec. 24, 2018	-	633,898.09
6	1	Montgomery Co. Future Crossing	Executed	Jan. 30, 2019	-	182,962.50
7	2	WOTUS Design	Executed	Mar. 5, 2019	90	1,212,612.98
8	2	SH 105 ROW Designation	Executed	June 2, 2019	-	146,025.00
9	2	Bridge Aesthetic Revisions	Executed	June 10, 2019	-	(33,409.00)
10	1	Additional Tolling Fiber	Executed	June 19, 2019	-	199,001.07
11	1	Traffic Signals @ FM 149 & FM 1486 (design only)	Executed	June 27, 2019	-	140,070.00
12	1	Acceptance of Non-Conforming Work CSBE	Executed	June 29, 2019	-	(64,039.11)
13	1	Audubon Ramp Relocation & Driveways	Executed	August 9, 2019	-	1,115,296.47
14	1	Traffic Signals @ FM 149 & FM 1486 (construction only)	Executed	August 22, 2019	-	701,260.69
N/A	Both	Key Staff Change	Executed	Sept. 3, 2019	-	(100,000.00)
15	2	Segment 2 Price Adjustment	Executed	Dec. 11, 2019	-	9,063,740.00
Subtotal for Executed Change Orders					338	\$26,548,270.18
16	1	MASH Compliance	Pending	TBD	-	77,352.19
17	2	SH 105 Turnaround	Pending	TBD	-	406,681.63
18	1	FM 1774 Bridge at Todd Mission	Pending	TBD	-	14,388,024.11
19	2	WOTUS Construction/Grade Separations/Passing Lanes	Pending	TBD	150	43,230,369.60
Subtotal for Pending Change Orders					150	\$58,102,427.53
Total for Executed and Pending Change Orders					488	\$84,650,697.71

Pending Change Orders

In Segment 1, there are two COs under review:

- CO#16 – installation of new roadway safety hardware required by FHWA. This will increase the Segment 1 cost by \$77,352.19 with no time impacts.
- CO#18 - modification to the design and construction of the FM 1774 (Segment 1, Section 1B) intersection to add a grade separation for an additional \$14,388,024.11 and no time impact.

TxDOT will fund both COs. BGE does not anticipate an impact to opening the System to the public in the summer of 2020 for Section 1A or the Section 1B opening by March 2021. Given the current status of the Project, BGE, Inc does not anticipate any additional COs for Segment 1 beyond those noted above.

For Segment 2, three COs executed, or anticipated to be executed, in Q2 of 2020:

- CO#15 - as mentioned above, this CO was executed on December 11th, 2019 for the price adjustment linked to the final approval of the 404 Permit and issuance of Segment 2 NTP 2.
- CO#17 - adds a turnaround for traffic at SH 105 making the direct connect from SH 249 more useful for an additional \$406,681.63 and no time impacts.
- CO#19 - accounts for the construction impacts caused by the WOTUS, new grade separations requested by Grimes County officials to improve safety at select intersections and passing lanes in select locations to again improve safety. This will add 150 days to Segment 2 and cause the anticipated opening to traffic date to slide to June 5, 2023.

System Cost Status

Table 4 provides the most accurate cost information that is available currently for the System. Table 4 reflects construction and financing costs of Segment 1 for the period. As the table reflects, TxDOT has used funding for the DBA to cover all construction costs thru the end of November 30, 2019. Table 5 reflects the projected spending for the remainder of the System Construction. Additionally, TxDOT may use contingency funds for the additional scope (COs #10, #11, #12, & #14) unless other State funds become available. TxDOT began payments to the toll integrator as they began work on the System. Payments will continue until the tolling system for the System is finished and in operation.

Table 4: Segment 1 Actuals (\$ millions)

Element	System Budget			Actuals			Forecast	Estimate at Completion (Actuals and Forecast) ³
	Original Budget	Adjustments	Adjusted Total	Spent thru Aug 2019	Spent this Quarter	Spent thru Nov 2019	Estimate to Complete	
Segment 1 (\$ millions)								
Design-Construction (DBA) ¹	\$ 359.76	\$ (2.70)	\$ 357.06	\$ 246.09	\$ 25.67	\$ 271.77	\$ 85.29	\$ 357.06
Locally funded CO ²	2.88	3.35	6.23	-	-	-	6.23	6.23
Contingency (DBA) ⁵	21.36	-	21.36	-	-	-	21.36	21.36
Toll Integrator	11.00	-	11.00	-	3.04	3.04	7.96	11.00
ROW	81.00	-	81.00	21.68	-	21.68	59.32	81.00
Environmental Mitigation	16.00	-	16.00	-	-	-	16.00	16.00
Contingency (ROW)	8.10	-	8.10	-	-	-	8.10	8.10
Construction Subtotal (\$ millions)	\$500.10	\$0.65	\$500.75	\$267.77	\$28.71	\$296.49	\$204.26	\$500.75
Financing Costs								
Capitalized Interest	\$ 29.99	\$ -	\$ 29.99	\$ 3.36	\$ -	\$ 3.36	\$ 26.63	\$ 29.99
Cost of Issuance ⁴	1.59	(0.01)	1.58	1.58	-	1.58	-	1.58
Debt Service Reserve Funds	24.93	-	24.93	24.93	-	24.93	-	24.93
Rate Stabilization Fund	10.00	-	10.00	10.00	-	10.00	-	10.00
Subtotal Financing Costs	\$66.51	(0.01)	\$66.50	\$39.87	\$0.00	\$39.87	\$26.63	\$66.50
Total System & Financing Costs	\$566.61	\$0.64	\$567.25	\$307.64	\$28.71	\$336.35	\$230.89	\$567.25

¹ Includes CO 1-6 & 10-14 which apply to the System.

² Locally funded CO increased as local funding became available for CO. As local funding was added, the total State funding decreased. Additionally, TxDOT adjusted the Locally funded CO adjustment down by \$0.1M to account for the change in Key Staff.

³ The DB Contractor payment is the sum of the DBA & Locally funded CO which totals \$363.39M.

⁴ Cost of Issuance Expense included transactions funded by Bond Proceeds only.

⁵ A portion of the Contingency may be used to cover a portion of the CO costs.

Table 5: Segment 1 Forecasts (\$ millions)

Table 6 reflects the actual draws thru the end of November 2019 and the projected draws thru the end of the System. Please note that as pending COs are executed the total System Cost and the estimated Construction Draw may change to reflect the new scope of work.

Element	FY 2020		FY 2021		FY 2022	Total Estimate to Complete
	3 month	6 month	6 month	6 month	6 month	
Design Build Agreement Cost ²	\$44.35	\$45.43	\$1.74	\$0.00	\$0.00	\$91.52
ROW Costs	14.83	14.83	14.83	14.83	-	59.32
Toll Equipment & Integration ¹	3.69	4.11	0.16	-	-	7.96
Environmental Mitigation	-	4.00	4.00	4.00	4.00	16.00
System Contingencies	7.37	7.37	7.37	7.37	-	29.46
Subtotal System Costs	\$70.23	\$75.74	\$28.09	\$26.20	\$4.00	\$204.26
Financing Costs						
Capitalized Interest	\$3.90	\$3.90	\$3.90	\$3.90	\$11.04	\$26.63
Cost of Issuance	-	-	-	-	-	-
Subtotal Financing Costs	\$ 3.90	\$ 3.90	\$ 3.90	\$ 3.90	\$ 11.04	\$ 26.63
Total System & Financing Costs	\$ 74.13	\$ 79.63	\$ 31.99	\$ 30.09	\$ 15.04	\$ 230.89

¹ The TSI cost for O&M are not shown in this table

² The DBA Costs are the sum of Table 4 DBA and Locally funded CO

Table 6: Segment 1 DBA Construction Draws

Period (MM-DD-YYYY)		Estimate of Construction Draw (\$ millions)		Paid-to-Date (\$ millions)	
Begin	End	Period	Cululative	Period	Cululative
NTP1	02-28-2018			71.08	71.08
03-01-2018	08-31-2018			59.86	130.94
09-01-2018	02-28-2019			52.99	183.93
03-01-2019	08-31-2019			62.16	246.09
09-01-2019	11-30-2019			25.67	271.77
12-01-2019	02-29-2020	44.35	44.35		
03-01-2020	08-31-2020	45.43	89.78		
09-01-2020	02-28-2021	1.75	91.53		
03-01-2021	03-31-2021	0.00	91.53		
Total		\$91.53		\$271.77	
		\$363.29			



GEC Findings

BGE, Inc, has reviewed the Project's overall design and construction progress and finds that the Project is currently on schedule to be completed within the projected schedule and budget with such budget adjusted to account for scope revisions discussed in Table 3 of this Report. BGE, Inc. believes that the DB Contractor should not have any issues with the delivery of the Project. It appears that TxDOT should plan to open the Section 1A of the System (Segment 1) to traffic by summer 2020; and Section 1B of the System (Segment 1) by March 15, 2021.

Appendix A: Photographs of Current Construction

Figure #3: Concrete Pavement from the Project



The DB Contractor has placed the concrete pavement in several long runs throughout the System in both Section 1A and Section 1B (Segment 1).

Figure #4: Construction of a Toll Gantry



In the figure above, a subcontractor to the Toll System Integrator is installing the steel cage in a future toll gantry.

Figure #5: Steel Cage in Segment 1



This figure shows the reinforcing steel for a future element elevated off the dirt in accordance with TxDOT standards.

Figure #6: Noise Wall



The DB Contractor has constructed a majority of the noise walls in the System limits. The noise walls will be completed prior to opening to traffic.