SH 249 System Quarterly Construction Progress Report

March 1, 2020 through May 31, 2020

Prepared by:

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31 July 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 May 31, 2020

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 March 1st, 2020 to May 31st, 2020.

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 7), (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 7), (iii) the cost of such System Segment, but excluding any Obligation

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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 15), (iv) the amount of funds required each six 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 15), and (v) a general description of the construction progress and estimated completion date of Segment 2 found in Construction Status section (page 10).

Sincerely,

DocuSigned by:
Chris Kuykendall
6B1226E59CA346F...

Chris Kuykendall, PE
Vice President
BGE, Inc

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Acronyms and Abbreviations

BGE	Brown & Gay Engineers, Inc.
CMA	Capital Maintenance Agreement
CO	Change Order
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
MCTRA	Montgomery Toll Road Authority
NCR	Non-Compliance Report
NTP	Notice to Proceed
O&M	Operations and Maintenance
OV	Owner's Verification Firm
PBS	Project Baseline Schedule
PUAA	Project Utility Adjustment Agreement
QA	Quality Assurance
QC	Quality Control
ROW	Right-of-Way
SC	Substantial Completion
SH	State Highway
SI	System Integrator
T&R	Toll & Revenue
TOD	(TxDOT) Toll Operations Division
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 25.5-mile new-location roadway in Montgomery and Grimes Counties, located northwest of Houston, and currently being developed and constructed by or on behalf of 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 from FM 1774 in Pinehurst to FM 1774 in Todd Mission, Texas ("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 System is further divided into two Sections comprising of: Section 1A from FM 1774 in Pinehurst to FM 1488, a distance of 6.4 miles; and Section 1B from FM 1488 to FM 1774 in Todd Mission, a distance of 8.4 miles.

The Project provides greater mobility for residents and travelers in northwest Houston to the portions of the Tomball Tollway 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 (SH 99) and the Sam Houston Tollway (Beltway 8).

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 design-build (DB) delivery method under the DBA adheres to TxDOT and Federal Highway Administration (FHWA) requirements and provides more cost and schedule certainty over traditional design-bid-build delivery projects. Section 1A is anticipated to be open to traffic ahead of schedule in August 2020, pending potential construction delays due to adverse weather or other factors, and begin toll collection

ahead of schedule in Fall 2020. Section 1B is anticipated to open to traffic on schedule no later than March 15, 2021. Segment 2 is scheduled to be open to traffic on schedule on or before June 5, 2023. The original Segment 2 October 8, 2022 substantial completion date was extended due to added work related to additional requirements needed to comply with a United States Corps of Engineers (USACE) 404 permit. See "Current Project Schedule."

The current estimated total cost to develop the Project is $798.6M (Segment 1 - $518.6M; Segment 2 - $280.0M) as of May 31, 2020. 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 system integration; environmental mitigation; TxDOT administration costs; and reasonable Project contingency. Funding for the Project is 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). Segments 1 (tolled) and 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 (O&M) of the Project, including roadway and toll collection system elements, are not included in the total Project development cost estimate.

Date of this Report and Subsequent Events

On March 13, 2020, the President of the United States declared the COVID-19 pandemic a national emergency and the Texas Governor declared COVID-19 an imminent threat of disaster for all counties in Texas. The situation continues to evolve; for additional information on these events in Texas, reference is made to the website of the Governor at https://gov.texas.gov/ and the quarterly Bond Appendix and supplements thereto as prepared by the Texas Comptroller of Public Accounts which are on file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (EMMA). The Texas Transportation Commission and the

Department continue to monitor the spread of COVID-19 and are working with local, state, and federal agencies to address the potential impact of COVID-19.

The information contained in this report is provided as of the respective dates and for the periods specified herein, and the filing of this report does not, under any circumstances, imply that there has been no change in the affairs of the Project, the System, or TxDOT since the specified date or dates as of which such information is provided. The scope and magnitude of the impact the COVID-19 pandemic and the measures instituted to control the pandemic may have on the Project, the System, and TxDOT cannot be fully determined at this time. The pandemic has adversely affected travel, commerce and financial markets globally and is expected to adversely affect economic output worldwide and in Texas, including within the counties traversed by the Project. While the COVID-19 pandemic has, as of the date of this report, had no impact to the current completion schedule, cost, or progress of the Project, no assurance can be provided as to any future impact the pandemic may have on the Project, the System, or TxDOT. Accordingly, the historical information set forth in this report may not be indicative of future results or performance due to these and other factors.

Purpose of the Report

Per Section 407 of the Master Trust Agreement, the General Engineering Consultant (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) prepared this Quarterly Construction Progress Report that describes the Project, schedule, construction progress, estimates of construction, and operations 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

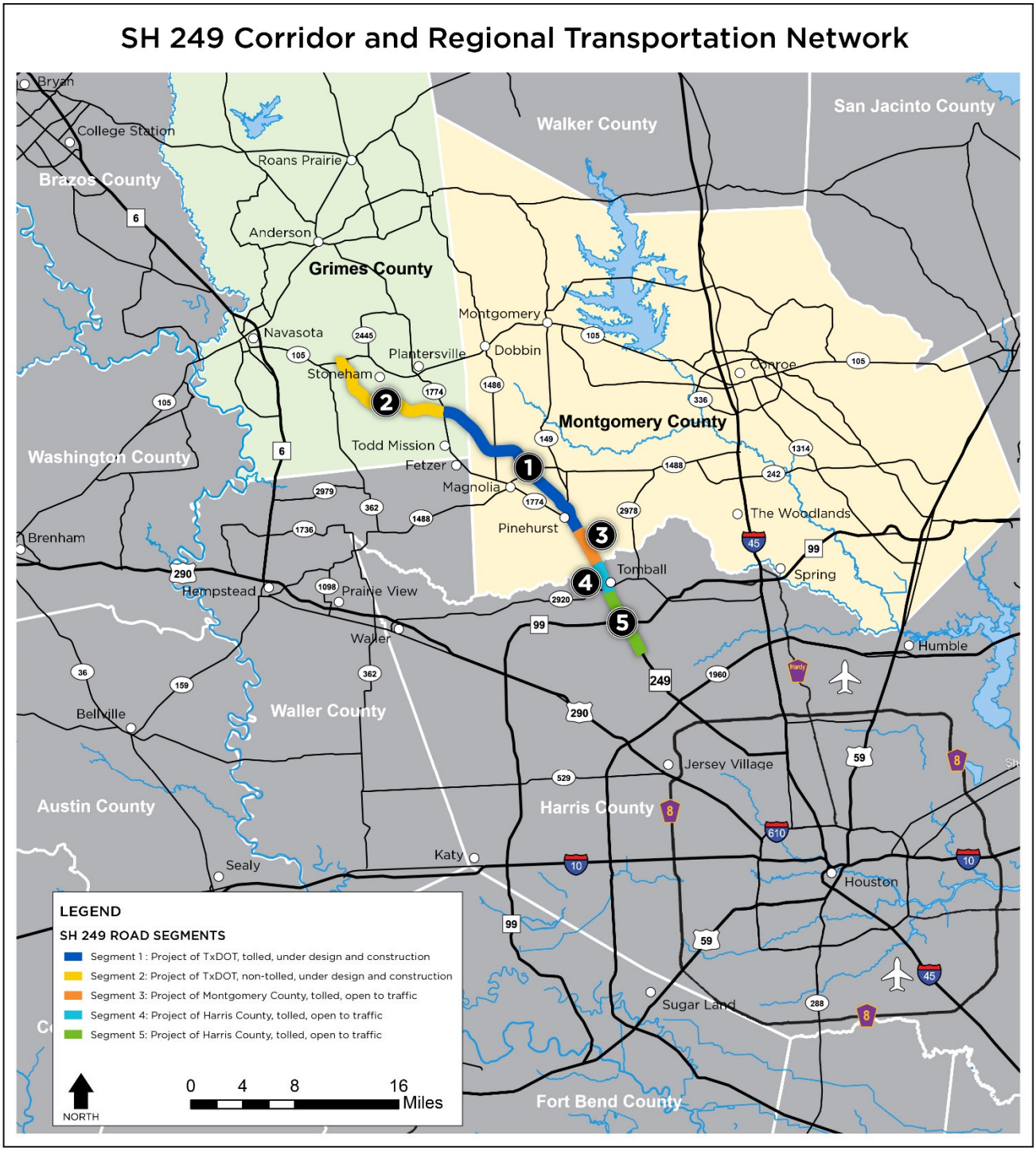
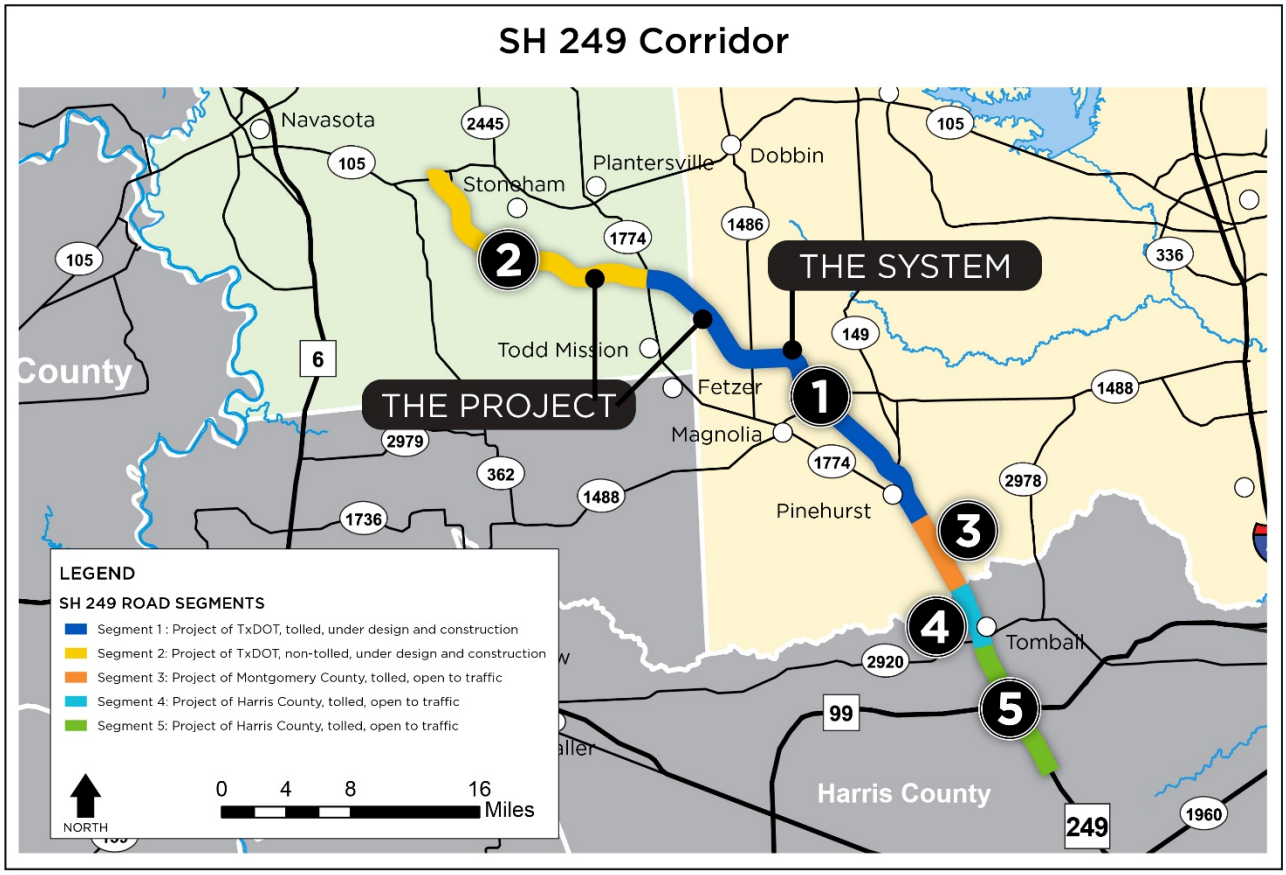


Figure 2: SH 249 Corridor Segments 1 – 5



Current Project Schedule

Segment 1 and Segment 2 are following different design and construction schedules which allows Segment 1 to open to traffic before Segment 2. Segment 1, the tolled segment of the Project, is referred to as the System pursuant to the Master Trust Agreement.

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.

To monitor the Project schedule, BGE reviews the DB Contractor's monthly 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 May 2020, the DB Contractor is on track to meet the Project Milestones shown above in Table 1 and as noted, likely to complete work ahead of schedule.

Section 1A of the System, from FM 1774 in Pinehurst to FM 1488, is anticipated to reach Substantial Completion (SC) on July 31, 2020, open to traffic ahead of schedule in August 2020, pending potential construction delays due to adverse weather or other factors, and begin toll collection ahead of schedule in Fall 2020. TxDOT anticipates Section 1B of the System opening to traffic by March 15, 2021 which is the scheduled SC date for the System. TxDOT will determine that SC is met when the roadway is generally complete and safe for the traveling 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 complete the System by March 15, 2021 so that TxDOT is able to open the System to traffic. If the DB Contractor fails to complete SC by this date, it is obligated to pay daily liquidated damages to TxDOT to cover any loss of revenue which TxDOT can use to satisfy its obligations under the Master Trust Agreement. The March 15, 2021 SC deadline date

can only change by either revision to the current contract scope via Change Order or by the occurrence of a Force Majeure event as outlined in DBA Section 13.8.

The scheduled System FA is July 13, 2021 and represents the date that all construction and close-out activities must be finished.

The schedule for the construction of Segment 2 was constrained by final approval of an environmental 404 Permit from the USACE (the 404 Permit). 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 on an effected parcel outside of the Project's ROW limits. NTP 2 authorized the DB Contractor to move forward with all construction activities on Segment 2.

As of May 31, 2020, the SC for Segment 2 is scheduled to occur on June 5, 2023, the same date that TxDOT plans to open Segment 2 to traffic. The GEC anticipates the DB Contractor will achieve Segment 2 FA on or before October 3, 2023.

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

Table 1: Project Milestones

Project Milestone	Q3, FY 2020
Contract Execution	October 3, 2017
NTP1[1]	October 4, 2017
Segment 1 Limited NTP2	October 25, 2017
Segment 1 NTP2	March 15, 2018
Segment 2 Limited Design NTP	June 7, 2018
Segment 2 Limited Construction NTP	October 15, 2018
Segment 2 NTP2	August 5, 2019
Segment 1 SC (Open to Traffic)	March 15, 2021[2]
Segment 1 FA	July 13, 2021
Segment 2 SC (Open to Traffic)	June 5, 2023[3]
Segment 2 FA	Oct 3, 2023[3]

[1] Notice to Proceed (NTP) is TxDOT's formal correspondence to the DB Contractor to proceed with a major work item.

[2] Section 1A is anticipated to open to traffic early in August 2020 with tolling to begin Fall 2020.

[3] TxDOT provided the DB Contractor an additional 150 days for Segment 2 construction via a Directive Letter.

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, therefore this section includes 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 the System began when TxDOT issued NTP1 on October 4, 2017, authorizing the DB Contractor to begin the design of all elements of the System. As of May 31, 2020; the status of the System design is 99% complete. The remaining 1% is withheld for any revisions based on unknown field conditions that require design changes prior to TxDOT accepting the final, as-built plan set. Whereas the System design is complete, BGE anticipates that the DB Contractor will open the System to traffic by the contractual SC deadline of March 15, 2021, with Section 1A open to traffic ahead of schedule in August 2020, pending potential construction delays due to adverse weather or other factors.

The design for Segment 2 began on June 7, 2018. As of May 31, 2020, the design for Segment 2 is approximately 95% complete, and the design efforts are progressing as expected. The Segment 2 open to traffic date shifted to June 5, 2023 with the pending CO #20 for additional roadway widening and bridge overpasses. The additional CO #20 work is accounted for in the current design. TxDOT provided the DB Contractor an additional 150 days for Segment 2 design and construction via a Directive Letter dated September 18, 2019 with the follow up CO #20 anticipated to be executed in June 2020.

Right-of-Way Status

As of May 31, 2020, all parcels required for Segment 1 and 2 are in TxDOT possession. There are some Segment 2 parcels remaining in the acquisition process; however, the ROW is accessible and cleared for construction. ROW acquisition will not have an impact on the System or the remaining schedule.

Utility Status

The DB Contractor continues to work with TxDOT and various utility owners in the System and Segment 2 of the Project to finalize the utility agreements so that utility owners can be reimbursed for the respective portions of their work. These agreements are executed to allow TxDOT to review the utility adjustment plans, cost estimates, and land rights for the eventual execution of the utility work. From March 1, 2020 thru May 31, 2020 (Q3 FY 2020), one additional utility was identified within the System project limits that will be relocated using an existing Utility Agreement.

As of May 31, 2020, the utility status for the System is shown in Table 2:

Table 2: Utility Status

Segment 1 Utility Status	
PUAA	Q3 FY '20
Anticipated	21
Executed	21
% Executed	100%
UAAA	
Anticipated	4
Executed	4
% Executed	100%

Construction Status

The DB Contractor began construction activities in the System on March 15, 2018 and is aggressively progressing the work. The DB Contractor started with ROW clearing followed by rough grading and embankment, placement of drainage structures, building bridge structures, and placement of concrete pavement. Currently, the DB Contractor has completed 81% of all construction work activities for the System. Moving forward to complete Section 1A, the DB Contractor will finalize the placement of bridge deck, bridge rail, metal beam guard fence, Intelligent Transportation System (ITS), lighting, cable barrier, and the placement of concrete and asphalt pavement.

The DB Contractor began construction activities in Segment 2 on October 15, 2018 on parcels that were both in TxDOT possession and not impacted by the 404 Permit. TxDOT issued NTP 2 on August 5, 2019 allowing the DB Contractor full authority to move forward with all construction activities within Segment 2. The DB Contractor has completed 24% of the Segment 2 construction activities. Currently, the DB Contractor is focused on placing embankment and bridge foundations and sub-structures in Segment 2.

Construction of the Tolling System

TxDOT's Toll Operations Division (TOD) contracted TransCore, LP, as the System Integrator (SI), to install and test the System tolling equipment. During Q4 of FY 2019 TOD's design consultant, Atkins North America, Inc., completed the design efforts for the tolling system and transmitted the tolling system design to the DB Contractor and TransCore. Per the DBA, the DB Contractor is responsible for the toll zone civil site work including earthwork, paving, power, and communications. TransCore is responsible for the toll gantry construction and supporting infrastructure, and the installation and testing of the tolling equipment.

TxDOT conducted a toll kick-off coordination meeting on April 30, 2019 to ensure that TxDOT, the SI, and the DB Contractor understand the timelines and turnover requirements. TxDOT determined that follow up meetings would occur so that all parties can discuss the current status and scheduling of the SI's construction activities.

As of May 31, 2020, the SI has completed installation of all tolling equipment in Section 1A of the System except for the toll signage. These signs have a long-lead procurement time of 4-6 weeks. The signs were ordered in mid-May and the SI will install them upon delivery. The last remaining work item for the SI will be to run equipment and commission testing for the System after the back-office toll collection software, currently in development, becomes available.

The SI has installed most of the tolling infrastructure in Section 1B of the System; however, progress is delayed while the SI team waits for the DB Contractor to finish the toll zone ancillary work and the utility provider to install electrical service to the new locations. When the electrical service is installed, the SI will make final connections and install the toll signs in Section 1B.

Construction Quality Status

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

During Q3 FY 2020, IQF conducted 2,560 inspections, and the OV firm conducted 320 inspections. During this period, the IQF team took 2,172 material samples while the OV firm made 552 material samples.

During Q3 FY 2020, ten Non-Conformance Reports (NCRs) for inspections or materials did not pass all the standards. Of the ten reports, three were closed with the replacement or repair of the material. The seven remaining open NCRs will be addressed when all information is collected and final strength is determined.

Finally, during Q3 FY 2020, the Project had seven IQF Engineering Judgements (EJ). An EJ is an approval process for a sample that presents minor irregularities which do not fully meet the material standards. All seven Project EJs are related to material sieve analysis for aggregate gradation. This is a common occurrence on all transportation projects, is simple to address, and does not lead to impacts to 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 third-party public relations firm. The public information team conducts routine outreach for all lane closures, changes to existing intersecting roadway alignments, and upon request, to local organizations or governmental groups. During Q3 FY 2020, the public information team held three meetings to discuss the general construction progress. The public information team remains focused on answering calls, questions and emails from citizens and local officials as they come to the Project office.

Executed Change Orders

TxDOT executed two Change Orders (CO) for the Project between March 1, 2020 and May 31, 2020. Table 3 below shows the current change orders.

The first Change Order, CO #18, was executed March 3, 2020 and is based on compliance with the Advance Funding Agreement between TxDOT and Montgomery County to add curbed concrete U-turns and pedestrian elements for both the future thoroughfare and FM 1488 intersections. This CO increased the Segment 1 price under the DBA by $1,355,823.44 with no impacts to the project schedule.

The second Change Order, CO #19, was executed May 7, 2020 and is a scope modification for the design and construction of the FM 1774 (Segment 1, Section 1B) grade separation intersections. This CO increased the Segment 1 price under the DBA by $14,388,024.11 with no impacts to the project schedule.

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	-
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. 18, 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 21 2019	-	701,260.69
N/A	1 & 2	Key Personnel Change	Executed	Sept. 3, 2019	-	(100,000.00)
15	2	Segment 2 Price Adjustment	Executed	Dec. 11, 2019	-	9,063,740.00
16	1	MASH Compliance	Executed	Dec. 16, 2019	-	77,352.19
17	2	SH 105 Turnaround	Executed	Dec. 20, 2019	-	406,681.63
18	1	Intersection Improvements	Executed	Mar. 3, 2020	-	1,355,823.44
19	1	FM 1774 Bridge at Todd Mission	Executed	May 7, 2020	-	14,388,024.11
				Subtotal for Executed Change Orders	**338**	**$ 42,776,151.55**
20	2	WOTUS Construction/Grade Separations/Passing Lanes	Pending		150	43,230,369.60
				Subtotal for Pending Change Orders	**150**	**$ 43,230,369.60**
				Total for Executed and Pending Change Orders	**488**	**$ 86,006,521.15**

Pending Change Orders

Given the current status of the Project, BGE, Inc does anticipate potential change orders for the System for minor work additions for the ITS compatibility, an additional driveway, additional ground box security, and additional toll signage.

In Segment 1, no change orders are in review. BGE does not anticipate any impacts to the opening of the System to the public by March 15, 2021.

In Segment 2, one change order is in review. CO #20 is a scope modification to account for mitigating the construction impacts on the Waters of the United States (WOTUS), new grade separations requested by Grimes County officials to improve safety at select intersections, and adding passing lanes in select locations to further improve safety. This CO is anticipated to increase the Segment 2 price by $43,230,369.60. When executed, CO #20 will supersede the Directive Letter dated September 18, 2019 and add 150 days to Segment 2 SC which extends the anticipated opening to traffic date to June 5, 2023.

System Cost Status

Table 4 provides the most accurate cost information that is currently available for the System and reflects the construction and financing costs of Segment 1 for the current period.

Table 4: Segment 1 Actuals

Element	System Budget			Actuals			Forecast	Estimate at Completion (Actuals and Forecast)[5]
	Original Budget	Adjustments	Adjusted Total	Spent thru Feb 2020	Spent this Quarter	Spent thru May 2020	Estimate to Complete	
Segment 1 ($ millions)								
Design-Construction (DBA)[1]	$ 359.76	$ 13.03	$ 372.79	$ 290.36	$ 31.12	$ 321.48	$ 51.31	$ 372.79
Locally funded CO[2]	2.88	3.45	6.33	-	-	-	6.33	6.33
Contingency (DBA)[3]	21.36	-	21.36	13.36		13.36	8.00	21.36
Toll Integrator	11.00	2.00	13.00	6.87	-	6.87	6.13	13.00
ROW	81.00	-	81.00	40.16		40.16	40.84	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	$ 18.48	$ 518.58	$ 350.75	$ 31.12	$ 381.87	$ 136.71	$ 518.58
Financing Costs								
Capitalized Interest	$ 29.99	$ -	$ 29.99	$ 3.36	$ 3.90	$ 7.26	$ 22.73	$ 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	$ 3.90	$ 43.77	$ 22.73	$ 66.50
Total System & Financing Costs	$ 566.61	$ 18.47	$ 585.08	$ 390.62	$ 35.02	$ 425.64	$ 159.44	$ 585.08

[1] Includes CO 1-6, 10-14, 16, 18 & 19 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] A portion of the Contingency maybe used to cover a portion of the CO costs.

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

[5] The DB Contractor payment is the sum of the DBA & Locally funded CO which totals $379.12M.

Table 5 reflects the projected spending for the remainder of the System's construction timeline. TxDOT began payments to the SI when the SI started work on the System and upon the SI reaching scheduled project milestones. Payments will continue until the complete tolling system for the System is finished and in operation.

Table 5: Segment 1 Forecasts

Element	FY 2020	FY 2021		Total Estimate to Complete
	3 month	6 month	6 month	
Design Build Agreement Cost[1]	11.53	23.06	23.06	$ 57.64
ROW Costs	8.17	16.34	16.34	40.84
Toll Equipment & Integration[2]	1.23	2.45	2.45	6.13
Environmental Mitigation	3.20	6.40	6.40	16.00
System Contingencies	3.22	6.44	6.44	16.10
Subtotal System Costs	$ 27.34	$ 54.68	$ 54.68	$ 136.71
Financing Costs				
Capitalized Interest[3]	$ 3.90	$ 3.90	$ 3.90	$ 22.73
Cost of Issuance	0.00	0.00	0.00	0.00
Subtotal Financing Costs	$ 3.90	$ 3.90	$ 3.90	$ 22.73
Total System & Financing Costs	$ 31.24	$ 58.58	$ 58.58	$ 159.44

[1] The DBA Costs are the sum of Table 4 DBA and Locally funded CO

[2] The Tolling System cost for O&M are not shown in this table

[3] Total Estimate to Complete includes $11.04M for FY 2022 projection.

Table 6 reflects the actual draws through the end of May 31, 2020 and the projected draws through the end of the Project. Please note that as pending or future Change Orders are executed, the total Project cost and the estimated Construction Draw may change to reflect the new scope of work.

Table 6: Segment 1 DBA Construction Draws

Period (MM-DD-YYYY)		Forecast to Complete ($ millions)		Actuals ($ millions)	
Begin	End	Period	Cumulative	Period	Cumulative
NTP1	February 28, 2018			71.08	71.08
March 1, 2018	August 31, 2018			59.86	130.94
September 1, 2018	February 28, 2019			52.99	183.93
March 1, 2019	August 31, 2019			62.16	246.09
September 1, 2019	February 29, 2020			44.27	290.36
March 1, 2020	May 31, 2020			31.12	321.48
June 1, 2020	August 31, 2020	12.35	12.35		
September 1, 2020	February 28, 2021	24.70	37.05		
March 1, 2021	July 13, 2021	20.58	57.63		
Total		$57.63		$321.48	
		$379.11			

GEC Findings

BGE, Inc, reviewed the System's overall design and construction progress and finds that the Project is currently on track to finish within the projected schedule and budget. BGE, Inc. concludes that the DB Contractor should have no issues with the delivery of the Project. It appears that TxDOT should plan to open the System (Segment 1) to traffic by March 15, 2021, with Section 1A opening to traffic ahead of schedule in August 2020 pending potential construction delays due to adverse weather or other factors.

Appendix A: Photographs of Current Construction

Picture #1: Section 1A ITS Pole Installation

Picture #2: Section 1A Bridge over FM 1774 (Pinehurst)

Picture #3: Section 1A Future Terra Ramp Gantry Pad Installation

Picture #4: Section 1A Mainlanes

Picture #5: Section 1B Mainlanes

Picture #6: Section 1B Bridge Installation

Picture #7: Section 1B Mainlane Gantry

Picture #8: Section 1B Bridge Construction over FM 1774 (Todd Mission)