

A wide, horizontal banner with a blue background. On the left side, there is a white grid pattern that fades into the blue. Overlaid on the grid and the blue background are several large, stylized white arrows pointing to the right. The banner has a subtle texture.

SH 249 System Quarterly Construction Progress Report

March 1, 2021 through May 31, 2021

Prepared by:





30 July 2021

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, 2021

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 1, 2021 to May 31, 2021.

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

State Highway 249 System
Quarterly Construction Progress Report

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 17), (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 17), and (v) a general description of the construction progress and estimated completion date of Segment 2 found in Construction Status section (page 11).

Sincerely,

DocuSigned by:
Chris Kuykendall
6B1226E59CA346F...

Chris Kuykendall, PE

Vice President

BGE, Inc

Table of Contents

List of Figures	ii
List of Tables	ii
List of Pictures	ii
Acronyms and Abbreviations	iii
Executive Summary.....	1
Date of this Report and Subsequent Events	3
Purpose of the Report.....	4
Current Project Schedule	7
Current Project Progress	9
Design Status	10
Right-of-Way Status	10
Utility Status.....	10
Construction Status.....	11
Construction of the Tolling System	12
Construction Quality Status	12
Maintenance	14
Public Information Status.....	14
Executed Change Orders.....	15
Pending Change Orders	16
System Cost Status.....	17
GEC Findings	19
Appendix A: Photographs of the System	20

List of Figures

Figure 1: Project Location Map	5
Figure 2: SH 249 Corridor Segments 1 – 5.....	6

List of Tables

Table 1: Project Milestones.....	9
Table 2: Utility Status	11
Table 3: Executed and Pending Change Orders	15
Table 4: Segment 1 Actuals	17
Table 5: Segment 1 Forecasts	18
Table 6: Segment 1 DBA Construction Draws	18

List of Pictures

Picture #1: Northbound Mainlanes at Southern Terminus.....	20
Picture #2: Section 1B Northbound Bridge BR1B-03.....	20
Picture #3: Section 1B Mainlane Gantry	21
Picture #4: Section 1B Mainlane Exit to FM 1774	21
Picture #5: Section 1B Bridge BR2A-17 over FM 1774	22
Picture #6: Section 1B	22

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 County 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	Systems Integrator
T&R	Traffic & 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 information contained in this report is for the quarter ending May 31, 2021. Additionally, this report contains statements regarding anticipated or expected activities. These forward-looking statements are based upon expectations as of May 31, 2021. Subsequent to May 31, 2021, Final Acceptance for Section 1B (as described herein) of Segment 1 (as defined herein) of the System is estimated to be achieved on July 21, 2021. This report is the final report of BGE made pursuant to Section 407 of the Master Trust Agreement (as defined herein) because Substantial Completion of Section 1B was achieved on March 23, 2021.

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 or the Department). 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 near Todd Mission, Texas (Segment 1 or the System); and (b) an additional 10.7 miles of two non-tolled lanes from FM 1774 near 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 near 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) corridors.

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 opened to traffic ahead of schedule on August 8, 2020 and began toll collection ahead of schedule on December 1, 2020. Section 1B Substantial Completion was issued March 23, 2021 and opened to traffic and began toll collection on March 26, 2021.

Segment 2 is scheduled to be open to traffic on schedule on or before June 5, 2023. The original Segment 2 SC date of October 8, 2022 was extended due to added work related to additional requirements needed to comply with a United States Corps of Engineers (USACE) Section 404 permit. This work included: adding grade separations at County Road (CR) 304, FM 1748, and CR 306; adding one passing lane in each direction between Pinebrook and CR 304 with 4-ft wide shoulders including bridge crossings in lieu of culverts at Station 2130+00 and 2137+00 to avoid impacts to the Waters of the United States (WOTUS); and increasing the mainlane shoulder widths along SH 249 from 8-ft to 10-ft. See “Current Project Schedule.”

The estimated total cost to develop the Project is \$766.5M (Segment 1 - \$486.4M; Segment 2 - \$280.1M) as of May 31, 2021. The total Project Cost decreased primarily due to reductions in the TxDOT Agency Costs. These reductions in costs were realized by actualizing the estimated costs to expended amounts for scope elements that are close to completion. 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 (as defined in the Master Trust Agreement) 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 are shared between TxDOT and the DB Contractor pursuant to a Capital Maintenance Agreement (CMA). The CMA Notice to Proceed (NTP) to the DB Contractor was issued on August 22, 2019 and the initial five-year CMA period for the Project began on August 8, 2020 with the SC and opening of Section 1A to traffic. 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 cost estimate. The Commission has covenanted in Section 513 of the Master Trust Agreement to pay Segment 1 O&M Expenses to the extent Revenues (as defined in the Master Trust Agreement) are not sufficient for such purpose from lawfully available funds. Additionally, Section 507 provides that any Revenues remaining, after funds are allocated to System debt service and debt service reserves, will be deposited to the Rate Stabilization Fund until a total of \$20,000,000 has been transferred.

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 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 O&M 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.)

Pursuant to Section 407 of the Master Trust Agreement, a certificate certifying SC of the System (also known as Segment 1 comprised of Section 1A and Section 1B), has been delivered by a Department Representative to U.S. Bank National Association, as Trustee on July 21, 2021. In accordance with Section 407 of the Master Trust Agreement, upon delivery of the SC certificate to the Trustee, no further progress reports shall be required to be prepared with respect to the System. Therefore, this is the final quarterly construction report for the System.

Figure 1: Project Location Map

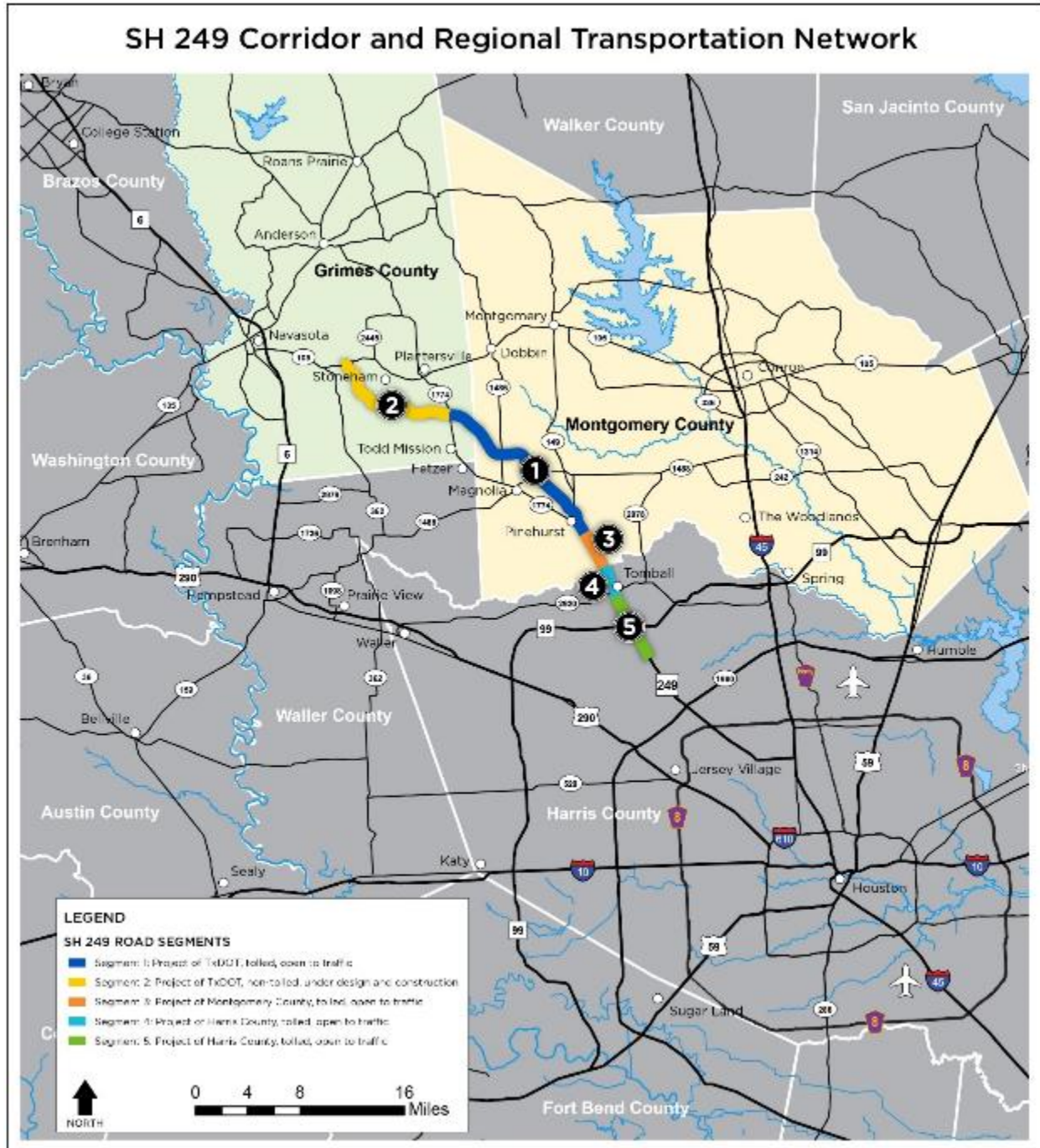
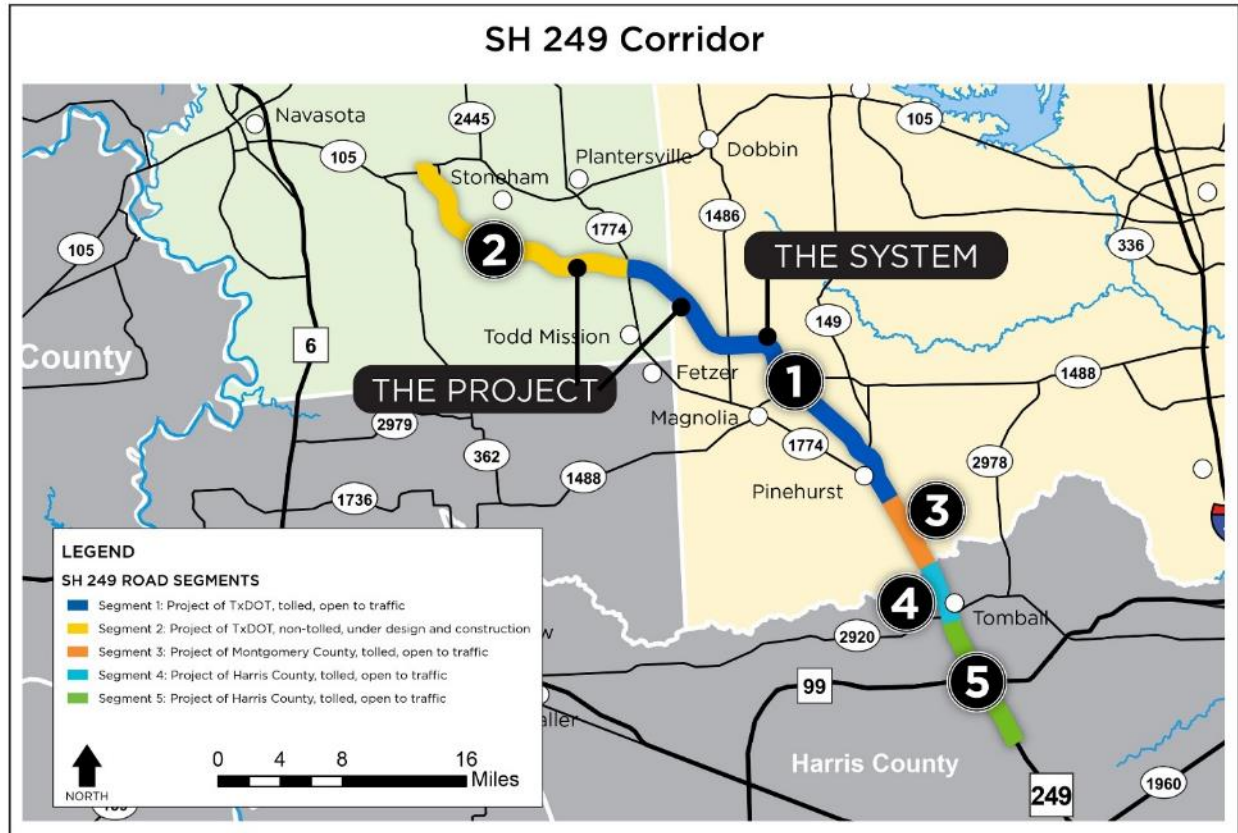


Figure 2: SH 249 Corridor Segments 1 – 5



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 Traffic & 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 2021, the DB Contractor is on track to meet the Project Milestones shown in Table 1 and as noted, likely to complete work on schedule.

TxDOT issued to the DB Contractor a written Certificate of Substantial Completion for Section 1A (from FM 1774 in Pinehurst to FM 1488) ahead of schedule on August 8, 2020. Later that day, Section 1A opened to traffic and began toll collection ahead of schedule in December 2020.

Pursuant to the DBA, the DB Contractor submitted PCO Notice No. 13 dated February 23, 2021, to TxDOT requesting an extension of the Section 1B SC date due to delays caused by a Force Majeure event involving a statewide declared emergency for severe winter weather that occurred in February 2021. TxDOT issued a CO for eight (8) days of schedule relief, which extended the SC date from March 15, 2021 to March 23, 2021.

TxDOT issued to the DB Contractor a written Certificate of Substantial Completion for Section 1B (from FM 1488 to FM 1774 near Todd Mission) on March 23, 2021. Later that week, Section 1B opened to traffic and began toll collection on March 26, 2021.

TxDOT issued to the DB Contractor a written Notification of Final Completion for Section 1A effective December 6, 2020 and conditional on satisfactory completion of five outstanding issues by March 15, 2021. As of May 31, 2021, all outstanding issue were addressed. All remaining Segment 1 construction and close-out activities must be finished by the scheduled System FA date of July 13, 2021.

The schedule for the construction of Segment 2 was constrained by final approval of an environmental Section 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. The NTP2 authorized the DB Contractor to move forward with all construction activities on Segment 2.

As of May 31, 2021, the SC for Segment 2 is scheduled to occur on or before 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 2021
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
Section 1A SC (Open to Traffic)	August 8, 2020
Section 1A FA	December 6, 2020
Section 1B SC	March 23, 2021 ²
Section 1B Open to Traffic	March 26, 2021
Section 1B FA	July 21, 2021 ²
Segment 2 SC (Open to Traffic)	June 5, 2023 ³
Segment 2 FA	October 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 TxDOT issued Change Order #22 for an additional 8 days due to the recent Force Majeure severe winter weather event.	
³ TxDOT provided the DB Contractor an additional 150 days for Segment 2 construction via Change Order #20.	

Current Project Progress

For the Project, the design and construction activities are divided between Segment 1 (the System) and Segment 2. The Obligations, as defined in the Master Trust Agreement, 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, 2021, 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.

The design for Segment 2 began on June 7, 2018. As of May 31, 2021, the design for Segment 2 is approximately 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.

Right-of-Way Status

As of May 31, 2021, 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 utility agreements so that utility owners may 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, 2021 thru May 31, 2021 (Q3 FY 2021), no additional utilities were identified within the System project limits.

As of May 31, 2021, the utility status for the System is shown in Table 2:

Table 2: Utility Status

Segment 1 Utility Status	
PUAA	Q3 FY 2021
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 opened Section 1A to traffic on August 8, 2020. 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 99% of all construction work activities for the System and is working on completing all punch list items for Section 1B Final Acceptance.

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 NTP2 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 67% of the Segment 2 construction activities. The DB Contractor is focused on placing embankment, bridge decking, and concrete paving activities in Segment 2.

Construction of the Tolling System

TxDOT's Toll Operations Division (TOD) contracted with 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 November 30, 2020, the SI completed installation of all tolling equipment in Section 1A of the System and began tolling on December 1, 2020.

As of March 23, 2021, the SI completed installation of all tolling equipment in Section 1B of the System and began tolling on March 26, 2021.

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 all materials. To ensure accurate reporting, TxDOT hired a separate, 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 2021, IQF conducted 1,364 inspections, and the OV firm conducted 345 inspections. During this period, the IQF team took 1,053 material samples while the OV firm made 375 material samples.

During Q3 FY 2021, 6 Non-Conformance Reports (NCRs) were issued for inspections or materials that did not pass all the standards for a total of 15 open NCRs. Of the 15 open NCR's, 4 were closed during Q3 FY 2021 with the approval, replacement or repair of the material. The 11 remaining open NCRs as of May 31, 2021 will be addressed when all information is collected and the final testing is complete.

Finally, during Q3 FY 2021, the Project assented to 2 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. Both Project EJs are related to material sieve analysis for aggregate gradation. This is a common occurrence on all transportation projects and does not lead to impacts to the overall final quality.

Maintenance

Maintenance responsibilities are shared between TxDOT and the DB Contractor pursuant to an executed Capital Maintenance Agreement (CMA) for an initial five-year period with two optional five-year contract extensions. The initial five-year CMA period for the Project began on August 8, 2020 with the SC and opening of Section 1A to traffic. Section 1B was added to this initial five-year maintenance period when the SC was issued on March 23, 2021. As Segment 2 construction is completed, it will be added to this initial five-year maintenance period. Design-build and CMA activities will continue concurrently until the SC of Segment 2, at which point the entire Project will be in the O&M phase.

As part of the CMA, the DB Contractor has developed procedures in their Maintenance Management Plan (MMP) to inspect elements and repair deficiencies. Maintenance inspections carried out by the DB Contractor during Q3 FY 2021 include three monthly general inspections of Section 1A and two general inspections of Section 1B.

During Q3 FY 2021, there were no non-compliance events under the CMA. Any and all Segment 1 deficiencies noted were transmitted to the DB Contractor for corrective action. The monthly inspections conducted in Q3 FY 2021 found the Section 1A in excellent condition with minor issues with roadway debris and slope erosion at various locations that were promptly transmitted to the DB Contractor for correction. All Section 1B deficiencies were transmitted to the DB Contractor for inclusion in the punch list for correction prior to Final Acceptance.

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 2021, 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 one CO for the Project between March 1, 2021 and May 31, 2021. Change Order (CO) #22 was executed March 16, 2021 at no cost, and modifies the duration of Segment 1 to extend the Section 1B Substantial Completion Deadline by 8 days due to delays caused by the February 12, 2021 statewide declared emergency for severe winter weather and unsafe driving conditions that occurred from February 13, 2021 to February 21, 2021. Table 3 below shows the current COs.

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 (Const. 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
20	2	WOTUS Construction/Grade Separations/Passing Lanes	Executed	June 25, 2020	150	43,230,369.60
21	1	Segment 1 Misc. Items	Executed	Dec. 27, 2020	-	93,501.14
22	1	Section 1B Additional Time	Executed	Mar. 16, 2021	8	-
Subtotal for Executed Change Orders					496	\$86,200,022.29
23	1	Section 1B Misc. Items	Draft	TBD	-	TBD
24	2	Segment 2 MASH Compliance & Striping	Draft	TBD	-	TBD
Subtotal for Pending Change Orders					0	\$0.00
Total for Executed and Pending Change Orders					496	\$86,100,022.29

Pending Change Orders

Given the current status of the Project, BGE, Inc anticipates one additional CO for the System.

The anticipated CO is to aggregate minor, miscellaneous items to close out and reconcile Segment 1 including: performance of the design and installation of utility access points along Section 1B for the installation, adjustment, repair, and maintenance of electrical facilities for Entergy Texas Incorporated; reduction in the Segment 1 price equal to that portion of the landscaping allowance that TxDOT determined it will not use; reduction in the Segment 1 price for a key personnel change fee; reduction in the Segment 1 price for the removal of a crash cushion attenuator that was previously included within Change Order 16 – MASH Compliance; and reduction in the Segment 1 price for both aesthetic rail material deduction and bond breaker material deduction as a condition precedent to TxDOT’s acceptance of the nonconforming work.

In Segment 2, there is an anticipated CO for the need to comply with the AASHTO/FHWA Joint Implementation Agreement for Manual for Assessing Safety Hardware (“MASH”) memorandum dated January 6, 2016. This memorandum requires all new installations of safety hardware on the National Highway System to be evaluated using the 2016 edition of MASH. This change includes the implementation of newly released MASH compliant TxDOT Standards for safety hardware including updating permanent installations of safety hardware using MASH 2016 criteria to the SH249 Project. This change order will also include updates to the Segment 2 striping to comply with the current Bryan District Pavement Marking Standards.

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)
	Original Budget	Adjustments	Adjusted Total	Spent thru Feb 2021	Spent this Quarter	Spent thru May 2021	Estimate to Complete	
Segment 1 (\$ millions)								
DB Contractor Price								
Design-Construction (DBA) ^{1,2}	\$ 359.76	\$19.45	\$ 379.21	\$ 371.77	\$ 5.37	\$ 377.13	\$ 2.07	\$ 379.21
TxDOT Agency Costs								
GEC ³	9.60	10.80	20.40	18.55	1.15	19.70	0.70	20.40
ROW/Utilities ⁴	81.00	(32.57)	48.43	46.35	0.04	46.39	2.04	48.43
Contingency (ROW) ⁵	10.00	(10.00)	-	-	-	-	-	-
Toll Integrator	11.00	2.00	13.00	7.71	-	7.71	5.29	13.00
Environmental Mitigation/Stipend ⁶	16.00	1.50	17.50	17.50		17.50	-	17.50
Contingency (DBA) ⁷	22.00	(14.00)	8.00	-		-	8.00	8.00
Subtotal System Costs (\$ millions)	\$ 509.36	\$ (22.82)	\$ 486.54	\$ 461.87	\$ 6.56	\$ 468.43	\$ 18.11	\$ 486.54
Financing Costs								
Capitalized Interest	\$ 29.99	\$ -	\$ 29.99	\$ 15.06	\$ -	\$ 15.06	\$ 14.93	\$ 29.99
Cost of Issuance ⁸	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	\$ 51.57	\$ -	\$ 51.57	\$ 14.93	\$ 66.50
Total System & Financing Costs	\$ 575.87	\$ (22.83)	\$ 553.04	\$ 513.43	\$ 6.56	\$ 520.00	\$ 33.04	\$ 553.04
¹ Includes Initial Price plus COs 1-3 and subsequently adjusted by COs 4-5, 10-12, 14, 16, 18-19, & 21-22. Additionally, TxDOT adjusted the Price by (\$0.1M) to account for the change in Key Staff fee.								
² \$1.3M Locally funded COs 6 & 13 included as part of total DBA Contractor Price.								
³ GEC costs previously reported costs adjusted to reflect actualized cost to date.								
⁴ ROW/Utility costs adjusted to reflect actualized cost to date.								
⁵ Contingency Cost removed as ROW/Utilities cost is actualized.								
⁶ FY 2020 costs reflect \$13.5M actualized Environmental Cost and \$4M Stipend to the Short-Listed Proposers not chosen.								
⁷ Contingency Cost reduced as Segment 1 approaches completion. Previously reported \$14M actuals have been allocated to other budget items.								
⁸ Cost of Issuance Expense included transactions funded by Bond Proceeds only.								

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 2021	Total Estimate to Complete
	3 month ³	
Design Build Contract Price	\$ 2.07	\$ 2.07
GEC	0.70	0.70
ROW/Utility	2.04	2.04
Toll Integrator ¹	5.29	5.29
Environmental Mitigation/Stipend	0.00	0.00
System Contingencies	8.00	8.00
Subtotal System Costs	\$ 18.11	\$ 18.11
Financing Costs		
Capitalized Interest ²	\$ 3.90	\$ 14.93
Cost of Issuance	0.00	0.00
Subtotal Financing Costs	\$ 3.90	\$ 14.93
Total System & Financing Costs	\$ 22.01	\$ 33.04
¹ The Tolling System cost for O&M are not shown in this table		
² Total Estimate to Complete includes \$11.04M for projections relating to FY 2022 and after.		
³ The Segment 1 forecast is projected to end Q4 FY 2021		

Table 6 reflects the actual draws through the end of May 31, 2021 and the projected draws through the end of the Project. Please note that as pending or future COs 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	183.94
March 1, 2019	August 31, 2019			62.16	246.09
September 1, 2019	February 29, 2020			44.27	290.36
March 1, 2020	August 31, 2020			51.96	342.32
September 1, 2020	February 28, 2021			29.44	371.76
March 1, 2021	May 31, 2021			5.37	377.13
June 1, 2021	August 31, 2021	2.08	2.08		
Total		\$2.08		\$377.13	
		\$379.21			

GEC Findings

As of March 26, 2021, the System is completely open to traffic. BGE, Inc, reviewed the Project's overall 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.

Appendix A: Photographs of the System

Picture #1: Northbound Mainlanes at Southern Terminus



Picture #2: Section 1B Northbound Bridge BR1B-03



Picture #3: Section 1B Mainlane Gantry



Picture #4: Section 1B Mainlane Exit to FM 1774



Picture #5: Section 1B Bridge BR2A-17 over FM 1774



Picture #6: Section 1B

