

According to the U.S. Census Bureau's 2016 population estimate, Illinois is the 5<sup>th</sup> most populous state in the United States. Since the 2010 Census, Illinois' population has experienced a slight decrease in population of 0.2%, which ranks 49<sup>th</sup> among all states in population growth. According to Illinois Department of Transportation ("IDOT"), the total proposed transportation budget for 2018 is **more than \$4 Billion**, dedicated exclusively toward Illinois transportation.

The table on the left below highlights the **2017 YTD bidding activity** on IDOT and Illinois Tollway projects larger than \$2 Million. The largest project during the period was an \$82M project won by Kraemer North America. There were a total of 20 projects larger \$10M and 8 projects over \$20M. A total of 13 contractors won jobs over \$10M. UCM Inc. (3), Plote Construction (3), Lorig Construction (2), Civil Constructors, Inc. (2), Judlau Contracting (2) all won multiple contracts larger than \$10 Million during this period. The top five contractors won 49% of all work during the January 2017 - August 2017 period. **Lorig Construction Company** was the most active during this period submitting a total of 40 bids, with 14 low bids for a total of \$102M in low-bid value.

The table on the right below highlights the average margin of victory by letting period between first and second place bidders on these projects, with the most competitive period being August with an average margin of victory of **4.5%** and the most active period being January with a total of 25 projects awarded. August was the least active period with only 9 projects.

### Top 15 Construction Contractors by Bid Value (YTD 2017)\*

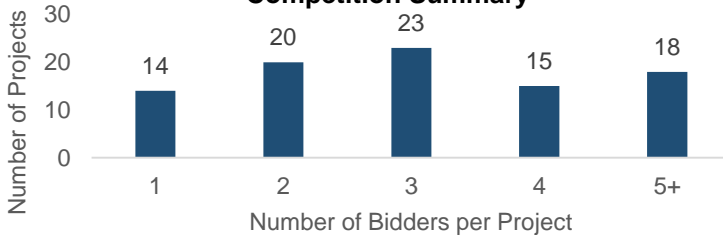
Bidder	Total 1st		Win %	Winning Bid Value
	Place Bids	Total Bids		
1 LORIG CONSTRUCTION COMPANY	14	40	35.0%	102,013,202
2 UCM INC.	14	20	70.0%	89,605,083
3 KRAEMER NORTH AMERICA, LLC	1	1	100.0%	82,377,377
4 PLOTE CONSTRUCTION, INC.	10	27	37.0%	71,698,428
5 HOWELL PAVING, INC.	5	5	100.0%	69,275,088
6 ACURA INC.	1	10	10.0%	30,526,324
7 D. CONSTRUCTION, INC.	10	23	43.5%	27,893,946
8 IROQUOIS PAVING CORPORATION	5	7	71.4%	24,674,018
9 CIVIL CONSTRUCTORS, INC.	2	5	40.0%	22,420,641
10 KANKAKEE VALLEY CONSTRUCTION	2	2	100.0%	22,119,360
11 KENNY CONSTRUCTION COMPANY	1	4	25.0%	21,184,721
12 JUDLAU CONTRACTING, INC.	2	8	25.0%	31,157,421
13 HERLIHY MID-CONTINENT COMPANY	4	11	36.4%	18,127,990
14 SIERRA BRAVO CONTRACTORS, LLC	3	7	42.9%	16,017,156
15 E. T. SIMONDS CONSTRUCTION	5	9	55.6%	12,775,915

### Margin of Victory (YTD 2017)\*

	# of Projects w/ Multiple Bidders	Average Win Margin
January	25	6.3%
March	17	8.6%
April	21	11.1%
June	24	9.2%
August	9	4.5%
<b>Weighted Average</b>		<b>8.8%</b>

\* Includes IDOT & Illinois Tollway Projects larger than \$2 Million

### Competition Summary



The graph on the left shows the total number of bidders for IDOT projects larger than \$2 Million from January 2017 through August 2017. The median number of bidders on projects is 3. More than 25% of projects had 3 bidders (23 projects, 26%). There were 14 projects (16%) that had only 1 bidder.

The graph to the right shows the Available Funding and Proposed Program Expenditures for IDOT from 2018-2021 in the Illinois Statewide Transportation Improvement Program for 2018-2021. **Transportation Operations** contribute to the highest percentage of the total budget at \$13.2 Billion (79%) for the 4 year period. **Capital Projects** account for a total of \$3.5 Billion (20.8%). The major source of funding for the budget were Local Funds, contributing \$8 Billion over the 4 year period (47%). Other sources include Federal Funding (\$2.9 Billion, 17% and State Funding (\$6 Billion, 35%) transportation Budget.

### IDOT Proposed Budget 2018-2021

TOTAL RESOURCES:	FY2018	FY2019	FY2020	FY2021	Total
Federal Funding	719	714	797	715	2,945
State Funding	1,468	1,503	1,538	1,579	6,088
Local Funds	2,078	1,877	2,060	1,951	7,966
<b>TOTAL RESOURCES</b>	<b>4,265</b>	<b>4,094</b>	<b>4,395</b>	<b>4,245</b>	<b>16,999</b>
<b>USE OF FUNDS:</b>					
Operating					
MPOs – TIPs	3,152	3,251	3,332	3,418	13,153
Rural-Small Urban	70	76	82	90	318
Capital					
MPOs – TIPs	1,033	756	969	725	3,483
Rural-Small Urban	8	8	9	9	34
Statewide	2	3	3	3	11
<b>TOTAL USES</b>	<b>4,265</b>	<b>4,094</b>	<b>4,395</b>	<b>4,245</b>	<b>16,999</b>

Sources: US Census Bureau, IDOT bid lettings, IDOT Statewide Transportation Improvement Program FY 2018-2021, Illinois State Budget

### Why We Are Different

#### Focused Strictly on Infrastructure

- Management has years of experience in the Infrastructure Industry
- Solely focused on advising public and private clients in the Infrastructure/Construction sector

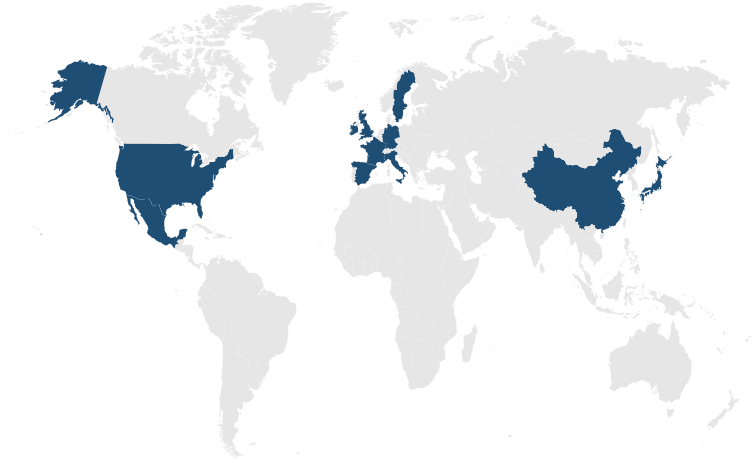
#### Broad Range of Advisory Services

- M&A, Project Financing, Strategic Consulting, Restructuring, Executive Placement, and Financial Analysis
- All Industry Sub-Sectors

#### Experience in All Major Infrastructure Markets

- Star America has worked in all infrastructure markets, including Civil Construction, Vertical Building, Public-Private Partnerships, Industrial

### Star America Global Reach



### Service Offerings

#### Mergers & Acquisitions

We have a strong track record in both domestic and cross-border M&A advisory roles. We operate both negotiated processes and auctions, assist in deal structuring, and provide impartial advice about the merits of transactions in our industry of focus.

#### Business Development

Star is well qualified to assist clients in developing their business plans in the U.S. Given the depth of experience of its partners and operating professionals, the company offers access to thought leadership of C-Level executives.

#### Capital Raising

We maintain contacts at banks, hedge funds, equipment finance companies, and other financial firms. These are sources of capital for clients desiring funds for expansionary capital expenditures or general operating cash flow needs.

#### PPP Financial Advisory

Star provides financial advisory services to companies and consortia seeking to participate in alternative procurement processes. We advise on debt capital raising in the bank and bond markets, and help structure competitive bids for our clients.

#### Management Consulting

We work with clients to formulate and pursue strategic and tactical goals. Star provides true business solutions, including identifying potential management hires, developing and implementing marketing plans, and increasing operational efficiencies.

#### Strategic & Financial Analysis

Industry analytics form the core of a successful financing or business development strategy. With our significant industry knowledge, we assess companies' current and projected financial and competitive positions to provide actionable recommendations. We have the capacity to provide comprehensive financial analysis as well as contractor prequalification solutions, allowing contractors to properly vet lower tiers and improve overall capital strength.

#### Disclaimer:

This material is for informational purposes only. It should not be relied on for any other purposes. The goal of this report is to help market participants critically assess each state's expected infrastructure budgets and competitive environment.