

According to the U.S. Census Bureau's July 2017 population estimate, New Jersey is the 11th most populous state in the United States. Since the 2010 Census, New Jersey's population has grown 2.4%, which ranks 35th among all states. According to New Jersey Department of Transportation (NJDOT), the total proposed transportation budget for 2018-2027 is **more than \$23 Billion**.

The table on the left below highlights the **2017 – 1H 2018 bidding activity** on NJDOT and New Jersey Turnpike Authority (NJTA) projects. The largest project awarded during the period was a \$195M project won by **George Harms Construction Company**. Additionally, There were a total of 39 projects larger \$10M and 13 projects over \$20M awarded during this period. A total of 23 different contractors won jobs over \$10M. Earl Asphalt (6), PKF Mark III (3) South State (3) all won 3 or more contracts larger than \$10 Million during this period. The top five contractors won 41% of all work let during the period. **IEW Construction Group** was the most active during this period submitting a total of 82 bids, with 19 low bids for a win percentage of 23.2% and total value of \$174.8M.

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 March 2017 with an average margin of victory of 3.4% and the most active period being June 2017 with 27 projects awarded. August 2017 was the least active period with only 4 projects.

Top 20 Contractors by Low Bid Contract Value Jan 2017 – Jun 2018

Bidder	Total 1st Place Bids	Total Bids	Win %	Winning Bid Value
1 GEORGE HARMS CONSTRUCTION	2	5	40.0%	258,350,593
2 IEW CONSTRUCTION GROUP, INC.	19	82	23.2%	174,838,866
3 FERREIRA/TUTOR PERINI, JV	2	5	40.0%	165,034,000
4 EARLE ASPHALT COMPANY	17	38	44.7%	127,334,023
5 SOUTH STATE, INC.	20	41	48.8%	95,326,880
6 J.F.CREAMER/ JOSEPH M. SANZARI JV	2	7	28.6%	93,815,628
7 CRISDEL GROUP, INC	6	64	9.4%	91,069,778
8 UNION PAVING & CONSTRUCTION CO.	1	8	12.5%	80,823,278
9 SCHIFANO CONSTRUCTION CORP	11	45	24.4%	74,653,538
10 JOSEPH M. SANZARI, INC.	9	38	23.7%	63,258,077
11 KONKUS CORPORATION	6	8	75.0%	61,005,416
12 STAVOLA CONTRACTING CO., INC	8	24	33.3%	60,474,169
13 MOUNT CONSTRUCTION CO., INC.	14	54	25.9%	55,431,906
14 PKF MARK III, INC.	4	9	44.4%	52,250,183
15 ANSELM I & DECICCO, INC.	2	19	10.5%	42,845,058
16 INTERCOUNTY PAVING ASSOCIATES, LLC	10	50	20.0%	38,922,477
17 DELLA PELLO PAVING, INC.	6	24	25.0%	35,384,854
18 FERREIRA CONSTRUCTION CO., INC.	3	11	27.3%	29,839,281
19 CARBRO CONSTRUCTORS CORP	1	15	6.7%	26,702,582
20 J. FLETCHER CREAMER & SON, INC.	5	14	35.7%	25,735,994

Margin of Victory Jan 2017 – Jun 2018

	# of Projects w/ Multiple Bidders	Average Win Margin
January	15	12.0%
February	10	17.8%
March	23	3.4%
April	11	17.6%
May	22	10.0%
June	27	19.0%
July	5	7.8%
August	4	14.5%
September	5	6.7%
October	8	13.0%
November	5	11.6%
December	4	11.3%
January	9	11.0%
February	14	24.6%
March	19	6.1%
April	9	5.2%
May	20	15.6%
June	21	17.2%
December	23	12.6%
Annual Weighted Average		12.9%

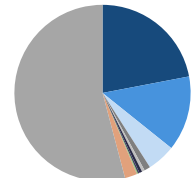
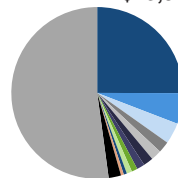
The graph to the right highlights the total planned expenditures for NJDOT and NJ Transit for the 10 year 2018-2027 period. These planned expenditure were detailed in the **FY 2018-2027 New Jersey Statewide Transportation Improvement Program**. A total of **\$37.8 Billion** have been made available between the two authorities for the **2018-2027 period**. The largest contributor to the two budgets was the Transportation Trust Fund (TTF). The TTF contributes \$20 Billion which accounts for 53% of the total \$37.8 Billion budget between the two Authorities. Other major contributors include the National Highway Performance Program (NHPP) Fast Act (\$5.9B, 16%), Section 5307, a Federal Urbanized Area Formula Grant from the Federal Transit Administration (\$3.1B, 8%), Section 5337, FTA State of Good Repair Grant, (\$1.9B, 5%), and the Statewide Surface Transportation Block Grant Program (STBGP-Statewide) contributed \$1.387B or 4% of the total budget.

NJDOT Expenditures 2018-2027 (\$ millions)

Funding Category	Total	%
NHPP	\$5,984.60	25.0%
STBGP-Statewide	\$1,386.70	5.8%
STBGP-NJTA	\$949.80	4.0%
Safety	\$511.10	2.1%
CMAQ	\$473.40	2.0%
NHFP	\$443.80	1.9%
SPR/PL	\$357.70	1.5%
STBGP-DVRPC	\$262.00	1.1%
TAP	\$241.10	1.0%
Rail-Hwy Crossing	\$142.50	0.6%
STBGP-SJTPO	\$129.50	0.5%
Other	\$557.60	2.3%
TTF	\$12,463.00	52.1%
Total	\$23,902.80	

NJ TRANSIT Expenditures 2018-2027 (\$ millions)

Funding Category	Total	%
Section 5307	\$3,063.70	22.0%
Section 5337	\$1,915.60	13.8%
CMAQ	\$725.00	5.2%
Section 5339	\$155.70	1.1%
Section 5310	\$72.00	0.5%
STBGP-NJTA	\$70.00	0.5%
Section 5311	\$42.00	0.3%
STBGP-DVRPC	\$15.00	0.1%
STP-Enhancement	\$10.00	0.1%
High Priority	\$6.00	0.0%
Other	\$314.10	2.3%
TTF	\$7,537.00	54.1%
Total	\$13,926.10	



Sources: US Census Bureau, NJDOT bid lettings, NJTA bid lettings, NJ Statewide Transportation Improvement Program FY 2018-2027

New Jersey P3 Legislation

On August 14, 2018, New Jersey has enacted legislation that greatly expands the pool of public agencies authorized to enter into public-private partnerships (P3s) for capital projects in the state, in an effort to address NJ's aging infrastructure needs. Prior to enacting Senate Bill No. 865, only public colleges and universities were authorized to use P3s in New Jersey.

The newly enacted P3 legislation authorizes local governments, school districts, public authorities, and state and county colleges to enter into P3 agreements to deliver capital projects. Moreover, the new law allows for statewide road or highway P3 projects, provided that a project includes an expenditure of at least \$10 million in public funds or any expenditure of solely private funds.. New Jersey has 21 counties, 565 municipalities, and nearly 600 school districts in addition to hundreds of public authorities. The state recently ranked as one of the country's 10 worst for infrastructure according to CNBC's "America's Top States for Business Study." With billions in needed for infrastructure improvements throughout New Jersey, the new law is expected to generate a significant number of new projects in the State.

"State" of New Jersey's Infrastructure:

- Deficient Bridges: 8.8%
- Roads in poor or mediocre condition: 66%
- 20-year water system needs: \$8.6 billion

NJTA Capital Improvement Spending 2017-2021

Project #	Project Name	LTD Expenses as of 12/31/16	2017 Spending	2018 Spending	2019-2021 Spending	Total
Turnpike Interchange 6-9 Widening						
39018001	Turnpike Int 6-9 Widening	2,121,144,000	34,813,000	75,441,000	-	2,231,398,000
		2,121,144,000	34,813,000	75,441,000	-	2,231,398,000
Bridge Construction, Preservation, & Security						
39011025	NB HCE Bridge Redecking	153,626,000	29,540,000	104,399,000	112,435,000	400,000,000
39021036	Great Egg Harbor/ Drag Channel	174,131,000	25,740,000	210,000	63,099,000	263,180,000
39001010	Deck Reconstruction Phase I	198,003,000	511,000	-	9,487,000	208,001,000
39011012	TP Hackensack East Bridge Rehab	131,127,000	261,000	-	21,612,000	153,000,000
39001033	Deck Reconstruction Phase II	72,144,000	49,229,000	19,927,000	-	141,300,000
39001011	Bridge Preservation & Security	69,880,000	8,939,000	17,000	32,984,000	111,820,000
39001008	Bridge Painting Phase I	103,649,000	288,000	272,000	5,791,000	110,000,000
39001034	Bridge Painting Phase II	50,487,000	10,000	20,000	49,483,000	100,000,000
39021004	Parkway Bass River Bridge	76,242,000	-	-	3,073,000	79,315,000
39021015	Parkway Mullica River Bridge	49,391,000	-	-	609,000	50,000,000
39021020	Parkway Substructure Repairs	33,184,000	-	-	2,816,000	36,000,000
39011002	Int 16E-18E Bridge Improvement	15,147,000	-	-	-	15,147,000
39011028	TP Special Bridge Structure	7,309,000	3,532,000	4,159,000	-	15,000,000
		1,134,320,000	118,050,000	129,004,000	301,389,000	1,682,763,000
Roadway Improvements						
39002003	Drainage Improvements	55,481,000	5,862,000	123,000	5,869,000	67,335,000
39002016	Imp Roadway Appurtenances	41,550,000	5,449,000	-	-	46,999,000
39002017	Median Barrier Improvements	48,074,000	9,000	7,000	2,166,000	50,256,000
39006014	Sign Replacements Phase I	128,662,000	7,592,000	30,000	10,406,000	146,690,000
39006019	Sign Replacements Phase II	119,053,000	-	-	5,047,000	124,100,000
39009036	Turnpike/ Parkway So Improvements	15,774,000	-	-	1,476,000	17,250,000
39022023	Parkway Mainline Shoulder Imp	341,794,000	18,591,000	-	3,768,000	364,153,000
		750,388,000	37,503,000	160,000	28,732,000	816,783,000
Interchange Improvements						
39013027	TP Int 14A Reconstruction	214,952,000	56,957,000	10,058,000	43,532,000	325,499,000
39003035	Facilities Improvements Phase II	262,130,000	14,000	14,000	51,922,000	314,080,000
39023029	Parkway Int 88 Improvements	96,729,000	896,000	-	5,235,000	102,860,000
39023024	Parkway Int 125	30,439,000	27,257,000	27,130,000	17,839,000	102,665,000
39023022	Pkwy Int 9, 10 & 11	79,459,000	3,355,000	-	15,837,000	98,651,000
39023009	Parkway Int 44 Improvements	28,742,000	-	-	1,258,000	30,000,000
39023006	Parkway Int 41 Improvements	22,201,000	300,000	105,000	1,394,000	24,000,000
39013005	TP Int 8A to Rte 130 Connect	6,095,000	-	-	8,855,000	14,950,000
39023030	Parkway Int 91 Improvements	2,490,000	1,500,000	-	8,010,000	12,000,000
39023007	Parkway Int 142 Improvements	655,000	-	-	1,070,000	1,725,000
		743,892,000	90,279,000	37,307,000	154,952,000	1,026,430,000
Facilities Improvement						
39005013	Facilities Improvement Phase I	434,065,000	122,000,000	49,300,000	29,535,000	634,900,000
39003040	Salt Storage Facilities	17,516,000	162,000	1,000	46,000	17,725,000
		451,581,000	122,162,000	49,301,000	29,581,000	652,625,000
Widening of Garden State Parkway						
39028031	Pkwy Widening Phase II & III	363,244,000	41,082,000	4,596,000	46,078,000	455,000,000
39028018	Pkwy Widening Phase I	126,474,000	-	-	8,526,000	135,000,000
		489,718,000	41,082,000	4,596,000	54,604,000	590,000,000
Grand Total		5,691,043,000	443,889,000	295,809,000	569,258,000	6,999,999,000

Sources: State Of New Jersey Governor's Office Press Release, NJTA 2018 Capital Project & Investment Plan

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

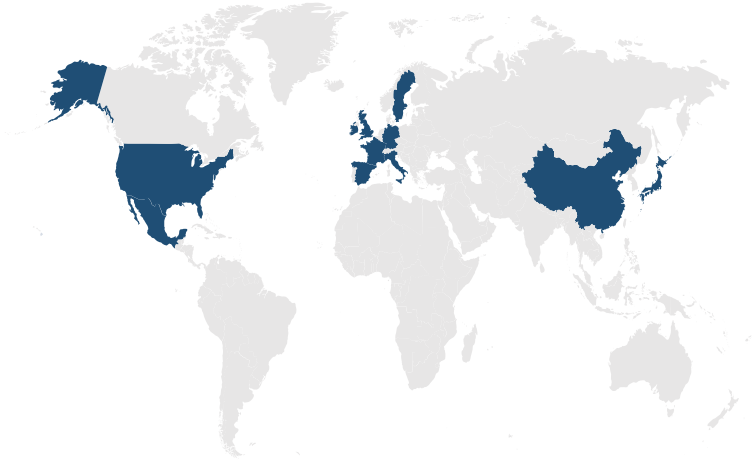
Broad Range of Advisory Services

- 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.