

According to the U.S. Census Bureau's 2017 population estimate, Pennsylvania is the 5th most populous state in the United States. Since the 2010 Census, Pennsylvania's population has experienced an estimated 0.8% growth, which ranks 45th among all states. According to Pennsylvania Department of Transportation ("PennDOT") the total proposed transportation budget for 2017-2020 is \$11.6B.

The table on the left below highlights the bidding activity on PennDOT projects for FY2017. The average project size for the period was \$6.053M, with 39 projects over \$10M in total project value. Twenty Eight different contractors won jobs over \$10M. Nine different contractors won multiple \$10M+ projects, with HRI winning the most (4). New Enterprises and Glenn O. Hawbaker each won 3 projects over \$10M. The total value of projects let during this period was \$2.233B. The largest project was a \$276M project won by South State, Inc. in December. The most successful contractors during this period based on total value were South State with their \$276M win and Trumbull with \$266M in winning project value. The most active contractor during this period was Glenn O. Hawbaker, submitting a total of 99 bids and winning 24 of them (24.2% Win%) worth \$110M in total project value.

The table on the right below highlights the average margin of victory between first and second place bidders on these projects broken down by month. The most competitive month was October with an average margin of victory of 4.5% and the most active month being March with a total of 58 projects let.

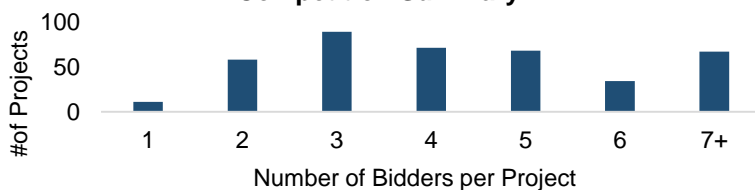
Top 15 PennDOT Construction Contractors by Bid Value (FY2017)

Bidder	Total 1st Place Bids	Total Bids	Win %	1st Place Bid Value
1 SOUTH STATE, INC.	1	2	50.00%	276,644,752
2 LINDY PAVING/ TRUMBULL CORP	10	33	30.30%	266,111,348
3 NEW ENTERPRISES S&L	25	84	29.76%	114,474,194
4 GLENN O. HAWBAKER	24	99	24.24%	110,257,698
5 HRI, INC	13	66	19.70%	107,492,103
6 BUCKLEY & COMPANY	1	1	100.00%	103,589,847
7 SWANK CONSTRUCTION	14	36	38.89%	93,356,433
8 HEMPT BROS	1	3	33.33%	89,464,909
9 J.D. ECKMAN	16	96	16.67%	78,301,477
10 TONY DEPAUL & SONS	3	9	33.33%	61,684,522
11 ALLAN MYERS	11	19	57.89%	51,393,316
12 GRANNAS BROS. STONE & ASPHALT	9	14	64.29%	47,542,420
13 JAMES J. ANDERSON CONSTRUCTION	3	10	30.00%	43,965,753
14 IA CONSTRUCTION CORPORATION	8	19	42.11%	35,714,309
15 A.P. CONSTRUCTION	4	8	50.00%	33,512,967

Margin of Victory

	# of Projects w/ Multiple Bidders	Average Win Margin
January	23	10.71%
February	31	5.60%
March	58	7.80%
April	45	6.82%
May	55	9.64%
June	23	8.71%
July	28	8.75%
August	19	9.09%
September	22	6.07%
October	28	4.50%
November	23	6.58%
December	39	6.65%
Annual Weighted Average		7.61%

Competition Summary



The graph on the left shows the total number of bidders for all PennDOT projects for FY2017. The median number of bidders on projects is 4. The most projects had 3 bidders (89 projects, 27%). There were 11 projects (3.3%) that had only 1 bidder, and 67 with seven or more (20.2%).

The table to the right shows the Statewide Transportation Improvement Programmed Spending 2017-2020 for PennDOT Highway and Bridge Projects. The 2018 budget is \$2.9B, which is down 1.7% from the previous year, however Highway and Bridge funding are up 3.4% and 3.2% respectively. The major decrease in funding available from 2018 compared to 2017 comes from expanded maintenance and other Additional Funds Included in the STIP. The major portion of funds programmed come from the National Highway System and Surface Transportation Programs.

PennDOT Statewide Transportation Improvement Programmed Spending 2017-2020

	2017	2018	2019	2020	Totals
Highway Funds	1,974.4	2,042.4	2,005.0	1,981.8	8,003.6
Bridge Funds	308.7	318.7	315.7	296.8	1,239.9
Other Funds	277.7	286.3	296.0	306.6	1,166.6
Additional Funds Included in STIP	423.7	285.3	232.1	252.3	1,193.4
Total	2,984.5	2,932.7	2,848.8	2,837.5	11,603.5

Below is a list of select major projects identified by PennDOT in their Four-Year Transportation Improvement Plan. Projects included in this list are \$59M and larger and should be procured in the next 4 years. Planning and/or design is underway for these projects.

Project ID	Description	County	Improvement Type	Cost
87781	Reconstruct US 30 Bypass	Chester	Reconstruct	461,884,296
75891	Interstate Contingency	Central Office	Miscellaneous	436,668,695
84884	Reconstruct US 30 Bypass	Chester	Reconstruct	334,653,000
92931	Eisenhower Interchange	Dauphin	Reconstruct	313,600,000
92924	North York Widening	York	Reconstruct	255,931,381
69817	US 322: Fthrbd - I-95	Delaware	Widen	205,362,000
97828	I-83 East Shore Section 3	Dauphin	Reconstruct	205,000,000
65109	Transit Flex - SEPTA	Philadelphia	Transit System Improvement	204,996,000
15251	US 1/PA 352 Interchange	Delaware	Interchange Improvement	191,969,000
79910	I-95: Margaret-Kennedy	Philadelphia	Widen	190,351,708
91569	I-80: State Line to US 19 Reconstruct	Mercer	Reconstruct	180,161,584
10466	Interstate 78 (12M)	Berks	Reconstruct	174,929,760
75917	NTier Interstate 4R	Susquehanna	Bridge Replacement	171,521,208
72814	US 422 Reconstruction	Berks	Reconstruct	152,704,682
57927	Regional Safety Initiativ	Philadelphia	Safety Improvement	150,688,251
76401	CSVT Southern Section	Snyder	New Roadway	135,061,058
70024	I-83 East Shore Section 1	Dauphin	Reconstruct	133,500,000
106662	I-76 Integrated Corridor Management	Montgomery	Miscellaneous	125,000,000
75978	I-70 @ PA 51 Interchange	Westmoreland	Interchange Improvement	123,593,348
93494	I-78-Rt 61 Bridge Replace	Berks	Bridge Replacement	120,337,669
87795	I-84 E&W I-4R E26 to E34	Pike	Reconstruct	115,888,790
79904	I-95: Betsy Ross Rmps A&B	Philadelphia	Widen	112,810,338
93630	Hill to Hill Bridge Rehabilitation	Lehigh	Replace/Rehab	107,198,216
76861	I-84 E&W I-4R Wayne - E26	Pike	Reconstruct	103,788,000
79908	I-95: Kennedy-Levick	Philadelphia	Widen	100,541,900
76357	I-80 Reconstruction-Monroe	Monroe	Reconstruct	98,834,270
93444	Route 1 Improvement-South	Bucks	Corridor Safety Improvement	92,880,000
14698	422: Hanover-PA100	Chester	Bridge Removal	90,847,000
97013	US 30/US 222 Interchange Improvements	Lancaster	Restoration	89,500,000
31895	Yukon & Madison Interchanges	Westmoreland	Interchange Improvement	87,536,115
85766	I-84 E&W I-4R MP 40 - E46	Pike	Reconstruct	87,237,400
83736	Rsvlt Blvd o/Wayne Junc	Philadelphia	Bridge Rehabilitation	86,172,000
96384	US 22 Widening	Lehigh	Widen	83,804,937
63491	US202:Morris-Swedefsd #3	Montgomery	Widen	81,559,000
31828	Laurel Vly Trans Imp Proj	Westmoreland	Transportation Study	80,486,500
96432	309 & Tilghman I/C Recon	Lehigh	Interchange Improvement	77,982,824
63490	US202:Swede-Morris #2	Montgomery	Widen	77,451,523
87756	Neville Island Bridge	Allegheny	Bridge Preservation Activities	73,797,891
57921	I-80/Exit 308 Realignment	Monroe	Interchange Improvement	73,241,763
102041	I-90: MP 10.5 to 14.5 Reconstruct	Erie	Reconstruct	65,446,359
14581	US 1: PA 896 - Schl Hs	Chester	Reconstruct	65,172,000
86923	PA309:Sellersville Bypass	Bucks	Resurface	63,892,300
47813	I-95: Ann St - Wheatsheaf	Philadelphia	Reconstruct	62,085,957
63486	US202:Johnson-Swede #4	Montgomery	Widen	61,394,000
97028	I-376/Banksville Interchange	Allegheny	Interchange Improvement	60,308,000
79828	I-95: Race - Shackamaxon	Philadelphia	Reconstruct	60,166,557
96470	61 Recon St.CI-Frackville	Schuylkill	Reconstruct	59,653,671
95447	County/City Brdg Reserv	Bucks	Bridge Replacement	59,096,883
91845	PA 28/Highland Park Br Interchange	Allegheny	Interchange Improvement	59,038,380

Sources: Pennsylvania Department of Transportation: PA Transportation Projects

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

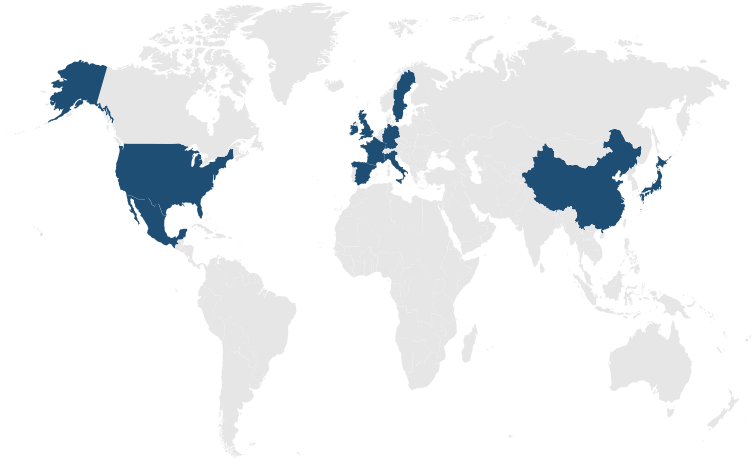
Broad Range of Advisory Services

- 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.