

According to the U.S. Census Bureau's 2016 population estimate, Texas is the 2nd most populous state in the United States. Since the 2010 Census, Texas' population has experienced an estimated 10.8% growth, which ranks 3rd among all states. According to Texas Department of Transportation ("TXDOT") the total proposed transportation budget for 2017 \$11.6B.

The table on the left below highlights the bidding activity on TXDOT projects from January 16 through March 2017. The average project size for the period was \$2.085M, with 88 projects over \$10M in total project value, and 34 larger than \$20M. Fifty-four different contractors won jobs over \$10M. The total value of projects let during this period was \$5.3B. The largest project was a \$192M project won by Webber in February 2017. Webber won 7 projects larger than \$10M, and were the most successful contractor during this period based on total win value (\$536M). Webber won 3 of the 4 largest projects during the period, which accounted for 77% of their total winnings. The most active contractor during this period was Angel Brothers, submitting a total of 229 bids and winning 47 of them (20.5% Win%) worth \$204M 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 December with an average margin of victory of 10.1% and the most active month being January 17 with a total of 173 projects let. However, during this period there were 564 projects (25% of all projects) with only one bidder.

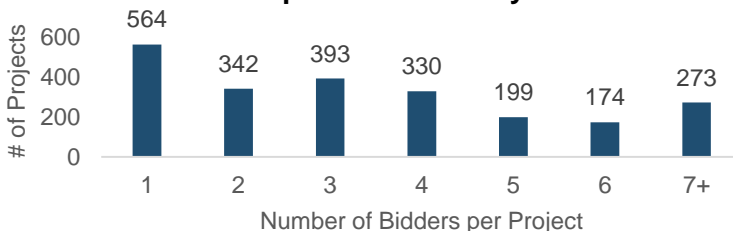
Top 15 TXDOT Construction Contractors by Bid Value (Jan16 – Mar17)*

Bidder	Total 1st		Win %	Winning Bid Value
	Place Bids	Total Bids		
1 WEBBER, LLC	7	34	20.6%	535,818,815
2 WILLIAMS BROTHERS CONSTRUCTION	8	19	42.1%	459,298,210
3 ANGEL BROTHERS HOLDINGS CORP.	47	229	20.5%	204,278,481
4 HUNTER INDUSTRIES, LTD.	31	108	28.7%	153,084,022
5 ZACHRY CONSTRUCTION CORPORATION	2	20	10.0%	138,023,544
6 BIG CREEK CONSTRUCTION, LTD.	24	61	39.3%	97,767,878
7 APAC-TEXAS, INC.	24	103	23.3%	77,995,799
8 STERLING HOLDING COMPANY, INC.	3	22	13.6%	76,819,288
9 JAMES CONSTRUCTION GROUP, L.L.C.	11	36	30.6%	74,260,395
10 LONGVIEW BRIDGE AND ROAD, LTD.	15	86	17.4%	70,560,021
11 FLATIRON CONSTRUCTORS, INC.	4	17	23.5%	70,467,461
12 JOHNSON BROS. CORPORATION	2	11	18.2%	70,199,936
13 OHL USA, INC.	2	14	14.3%	70,120,344
14 KNIFE RIVER CORPORATION - SOUTH	22	72	30.6%	68,442,865
15 JAGOE-PUBLIC COMPANY	9	21	42.9%	67,892,908

Margin of Victory

Month	# of Projects w/ Multiple Bidders	Average Win Margin
	January	139
February	122	12.3%
March	114	15.5%
April	146	16.8%
May	114	14.5%
June	98	22.0%
July	132	15.2%
August	131	14.8%
September	126	17.7%
October	124	17.9%
November	131	10.1%
December	113	15.3%
January	173	12.2%
February	138	15.2%
March	94	10.1%
Annual Weighted Average		15.0%

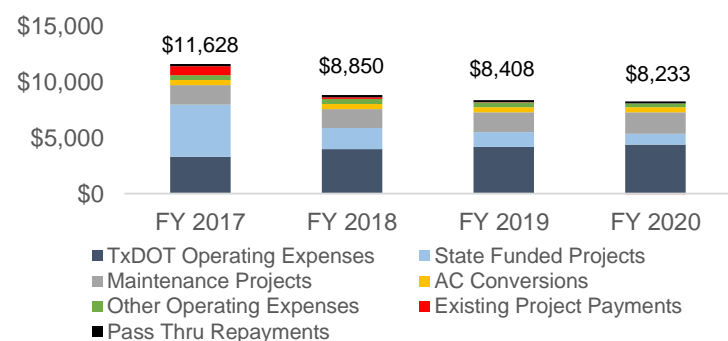
Competition Summary



The graph on the left shows the total number of bidders for all TXDOT projects from January 2016 through March 2017. The median number of bidders on projects is 3. The majority of projects had 1-3 bidders (1,299 projects, 57%). There were 594 projects (25%) that had only 1 bidder, and 273 with seven or more (12%).

The graph to the right shows the TXDOT 2017-2020 Transportation Budget. The total 4 year budget is \$37.1B. TXDOT Operating Expenses contribute the largest portion of the overall budget (\$15.9, 43%), while State Funded Projects contribute the largest portion of the \$11.6B 2017 Budget (\$4.7B, 24%). State Funded Capital Projects decrease after 2017 from \$4.7B to \$1.9B in 2018 partially due to recent a number of large capital projects due to be completed in 2017. The overall budget decreases from \$11.6B in 2017 to \$8.2B in 2020 (\$3.4B, 29%).

TXDOT Transportation Budget 2017-2020



Sources: US Census Bureau, TXDOT bid lettings, Texas State Transportation Improvement Program 2017-2020

Below is a list of upcoming projects identified by TXDOT. Projects included in this list are \$35M and larger and should be procured in the next 5 years. Planning and/or design is underway for these projects.

TXDOT Planned Projects

Roadway	Description	Estimated Cost	County
US 183	CONSTRUCT TOLL LANES AND FRONTAGE ROADS	273,200,001	Travis
IH 45	WIDEN FREEWAY CONSISTING OF GRADING, STRUCTURES, FLEXIBLE	233,000,000	Walker
IH 30	CONST DIR CONN INTCHG AT SH 360 & TRAFFIC MANAGEMENT SYSTEM	229,500,000	Tarrant
SH 99	CONSTRUCT 4-LANE TOLLWAY WITH LIMITED 2 2-	229,200,000	Liberty
SH 249	CONSTRUCT 4 LANE TOLLWAY IN SECTIONS	200,000,000	Montgomery
US 281	EXPAND TO 6 LANE EXPRESSWAY -4 NON-TOLL & 2 MANAGED LANES;	182,055,114	Bexar
US 281	EXPAND TO 4 LANE EXPRESSWAY -CONSTRUCT-4 NEW MANAGED LANES	176,923,077	Bexar
US 183	CONSTRUCT TOLL LANES AND FRONTAGE ROADS	172,700,000	Travis
SH 99	CONSTRUCT 4-LANE TOLLWAY WITH LIMITED 2 2-	163,000,000	Liberty
SH 288	CONSTRUCT 4 TOLL LANES	153,300,000	Harris
SH 288	CONSTRUCT 4 TOLL LANES	130,507,000	Brazoria
SH 288	CONSTRUCT 4 TOLL LANES	127,920,000	Harris
IH 35W	RECONSTRUCT 2 NB GENERAL LANES AND ADD MANAGED TOLL LANE 1 +	121,774,065	Tarrant
SH 99	CONSTRUCT 4-LANE TOLLWAY WITH LIMITED 2 2- LANE FRONTAGE	114,600,000	Montgomery
US 183	CONSTRUCT TOLL LANES AND FRONTAGE ROADS	114,507,649	Travis
IH 10	EXPAND FROM 4 TO 6 LANES	108,000,000	El Paso
VA	NEW LOCATION NON-FREEWAY FACILITY CONSISTING OF GRADING,	100,000,000	Grimes
SH 45	CONSTRUCT A 4-LANE TOLLED ROADWAY	98,500,000	Travis
SH 288	CONSTRUCT 8 DCS AT BW 8 INTERCHANGE	95,000,000	Harris
SH 31	CONSTRUCT NEW LOCATION RELIEF ROUTE; ULTIMATE FOUR LANE	78,368,422	Navarro
SL 1604	EXPAND TO 4 LANE EXPRESSWAY -4 NON-TOLL LANES	75,708,102	Bexar
US 287	WIDEN 2-LANE UNDIVIDED HIGHWAY TO 4-LANE URBAN FREEWAY	74,584,000	Ellis
SH 99	CONSTRUCT 4-LANE TOLLWAY WITH LIMITED 2 2- LANE FRONTAGE	73,000,000	Chambers
SH 249	CONSTRUCT 6 TOLL LANES AND TWO 3-LANE FRONTAGE ROADS	70,000,000	Harris
SL 1604	EXPAND TO 4 LANE EXPRESSWAY -4 NON-TOLL LANES	66,789,632	Bexar
IH 35	ADD SHOULDERS, AUXILIARY LNS, RAMP IMPROVEMENTS, PAVEMENT	60,047,385	Travis
VA	OPERATIONAL IMPROVEMENTS; EXTEND STATION PLATFORMS TO	60,000,000	Dallas
SH 99	CONSTRUCT 4-LANE TOLL WAY WITH TWO NON- CONTINUOUS 2-LANE	58,600,000	Harris
IH 10	WIDEN FREEWAY FROM 4 TO 6 LANES	58,500,000	Jefferson
US 75	RECONSTRUCT AND WIDEN 4 LANE TO 6 LANES AND 2 LANE FRONTAGE	56,648,887	Collin
SL 49	CONSTRUCT 2-LNS CONTROLLED ACCESS TOLL ROAD ON NEW LOCATION	54,893,000	Smith
IH 35	ADD SHOULDERS, AUXILIARY LNS, RAMP IMPROVEMENTS, PAVEMENT	50,400,000	Travis
IH 410	OPERATIONAL IMPROVEMENTS INCLUDING RAMP REVISIONS	50,100,000	Bexar
FM 1093	4 TOLL LNS FROM W OF SPRING GREEN TO W OF KATY-GASTON & TWO	43,733,444	Fort Bend
US 59	WIDEN TO 6 MAIN LANE FREEWAY WITH 2-LANE FRONTAGE ROADS, ITS	43,522,873	Fort Bend
US 75	WIDEN D-C FROM PGBT TO NB US 75 & SB US 75 TO PGBT; EXT DART	42,166,667	Collin
IH 37	REHABILITATE EXISTING INTERSTATE	41,932,000	Atascosa
SH 45	CONSTRUCT A 4-LANE TOLLED ROADWAY	41,500,000	Hays
IH 45	WIDEN TO 10 MAIN LANES, 2 3-LANE FRONTAGE ROADS AND 2 HOV	41,300,000	Galveston
IH 10	WIDEN FREEWAY FROM 4 TO 6 LANES	40,000,000	Jefferson
SL 20	FOR THE CONSTRUCTION OF AN INTERCHANGE FACILITY OVER IH35	40,000,000	Webb

Sources: TXDOT Planned Projects to be Let FY 2016

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

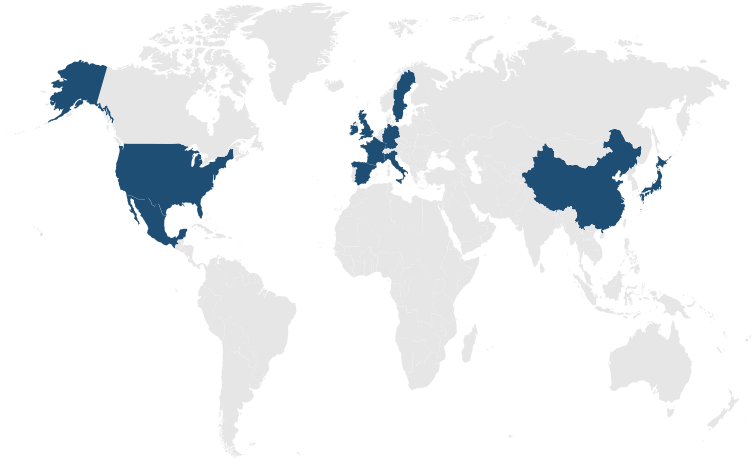
Broad Range of Advisory Services

- 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.