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Mr. Benjamin H. Asher  
Secretary/Treasurer  
Grand Parkway Transportation Corporation  
125 East 11th Street  
Austin, TX 78701

**Subject: Grand Parkway System – H and I Project**  
**Quarterly Construction Progress Report for Fiscal Quarter Ended February 28, 2019**

April 12, 2019

Dear Mr. Asher,

As the General Engineering Consultant to the Grand Parkway Transportation Corporation (GPTC) and in accordance with Section 407 of the Trust Agreement between GPTC and US Bank National Association, and Section 23 of the TIFIA Loan Agreement with the United States Department of Transportation dated February 21, 2019, HNTB is pleased to submit the Quarterly Construction Progress Report for Grand Parkway Segments H, I-1 and I-2, collectively an additional System Segment. This report covers quarterly construction progress through February 28, 2019.

As described in the requirements set forth in the GPTC Trust Agreement Section 407, the General Engineering Consultant shall prepare a progress report at least quarterly during the acquisition and construction of any portion of the Grand Parkway System which is financed in whole or in part with Obligations, commencing within 120 days from the initial delivery of the initial Obligations or Obligations financing an additional System Segment. The quarters used for reporting is based on GPTC's fiscal year.

GPTC adheres to the requirements outlined in the Trust Agreement which governs the acquisition or construction of such System Segments financed with Obligations as well as the requirements of the TIFIA Loan Agreement. As required by the TIFIA Loan Agreement Section 23(b)(i), this progress report includes (A) the amount of Total Project Costs expended as of the last date of the quarter as well as during the preceding quarter, and the amount of Total Project Costs estimated to be required to complete the Project (Refer to Section 2.0); (B) Availability of funds to complete the Project (Refer to Section 2.0); (C) an assessment of the overall construction progress since the date of the last report, together with an assessment of how such progress compares to the construction schedule (Refer to Section 3.0 through 5.0); (D) most recent projections for the Substantial Completion Date (Refer to Section 4.0); (E) a detailed description of all material problems encountered or anticipated and a detailed description of the proposed solutions (Refer to Section 5.0); (F) delivery status of major equipment (Refer to Section 6.0); (G) proposed or pending change orders (Refer to Section 7.0); (H) material changes or deviations from the Borrower's land procurement plans or schedule (Refer to Section 8.0).

Additionally, as specified in the Trust Agreement, this report also includes current estimates of: (i) the date on which such System Segment will be opened for traffic, unless such System Segment shall have been opened for traffic prior to such progress report (Refer to Section 4.0), (ii) the Estimated Date of Completion and an Estimated Date of Substantial Completion of such System Segment (Refer to Sections 4.0 and 5.0), (iii) the cost of such System Segment, but excluding any Obligation discount, and the interest during construction and for one year after completion of construction (Refer to Section

2.0), and (iv) the amount of funds required each six (6) 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 (Refer to Section 2.0), 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 (Refer to Sections 3.0 through 5.0). This information, as well as other items relevant to each System Segment, is presented in greater detail within this report.

Best regards,



Stephen A. Hrncir, P.E.

Program Manager

General Engineering Consultant

## 1.0 INTRODUCTION

This report describes the State Highway 99 Grand Parkway Segment H and I (H and I Project) construction for the second quarter of Fiscal Year 2019, covering a period from December 1, 2018 through February 28, 2019. H and I Project is an extension of the existing Grand Parkway System and is being constructed by the Grand Parkway Transportation Corporation (GPTC). GPTC is a non-profit Texas corporation authorized by the Texas Transportation Commission (Commission) to develop, finance, refinance, design, construct, reconstruct, expand, operate, and maintain the Grand Parkway System. GPTC, was created under the authority of the Commission and issued bonds to finance development and construction of the System. The project is funded entirely from toll revenue bonds and other obligations issued by GPTC.

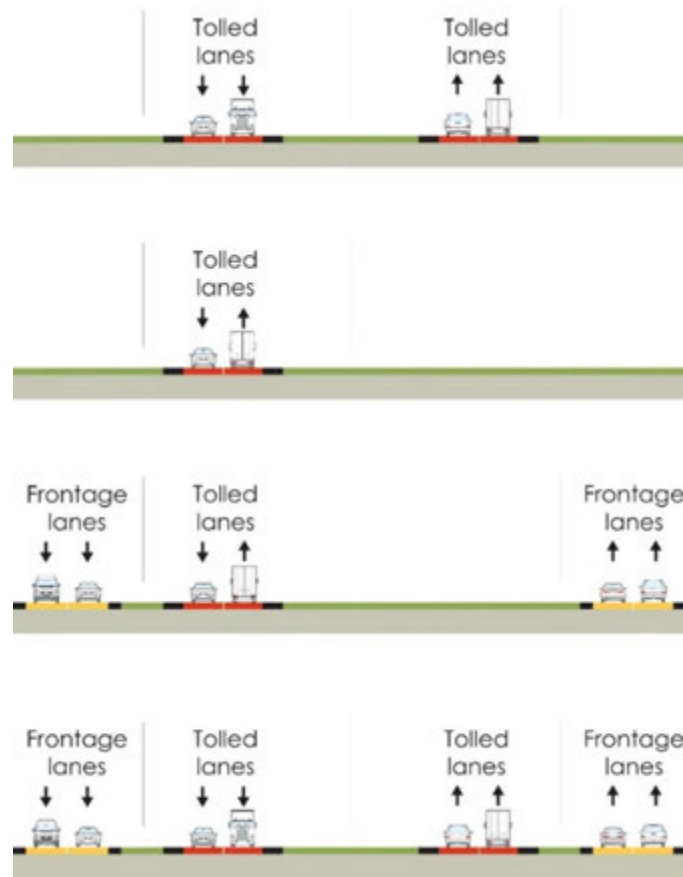
### 1.1 Project Description

The H and I Project is a 52.3-mile section of the overall Grand Parkway Project, a planned 184-mile highway facility around greater Houston extending from State Highway 146 in Galveston County to State Highway 146 in Baytown. It is spread across the seven counties including Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty and Montgomery. When completed Grand Parkway will provide a third outer loop around the Houston metropolitan area. The Grand Parkway is divided into 11 Segments designated A through I-2 as depicted on the map in Figure 1.1. Segment I-2 is further divided into Segments I-2A and I-2B. The Commission has designated Segments D (Harris County portion), E, F-1, F-2 and G that achieved final acceptance in 2017 and are open to tolled traffic and Segments H, I-1 and I-2 that are under construction as part of the Grand Parkway System.



Figure 1.1: Map of State Highway 99 (Grand Parkway) Project

Segments H and I-1 together are approximately 37.5-mile long two-lane toll facility (one lane in each direction) with intermittent four-lane sections for passing in Montgomery, Liberty, Harris and Chambers Counties. Segment H includes H-West Option, which comprises construction of two additional tolled mainlanes for a total of four tolled mainlanes for the first 8 miles from its connection with Interstate Highway 69. Segment I-2B is approximately 6.1-mile four-lane toll facility in Chambers and Harris Counties. TxDOT is currently constructing improvements to the Segment I-2B non-tolled frontage roads as a separate construction project, which is separate and apart from the H and I Project and is being funded by TxDOT. Lastly, Segment I-2A is an existing 8.7-mile four-lane facility in Chambers County that was constructed by TxDOT in 2008. Segment I-2A will receive tolling equipment upgrades and other improvements as a part of H and I Project. Figure 1.2 shows the typical sections of H and I Project over its length.



**Figure 1.2: Typical Sections of H and I Project**

The development and construction tasks for H and I Project principally include: design development; right-of-way acquisitions; utility relocations; excavation and embankment; concrete pavement; bridges; retaining walls; drill shafts; rip rap; drainage structures; barricades, signs, and traffic handling; illumination; overhead sign supports; traffic signals; toll facilities; and ITS ducts. H and I Project design, coordination, and construction activities are carried out by a DB Contractor under a Design Build Agreement (DBA) and toll zones are developed by a Toll System Integrator under a statewide Toll System Integration and Maintenance Agreement.



## 1.2 Design Build Agreement

On July 31, 2014 TxDOT issued a request for qualifications (RFQ) to design, construct, and potentially maintain Segments H, I-1 and I-2 pursuant to a DBA. TxDOT subsequently determined that three of the four teams submitting qualifications statements in response to the RFQ were qualified to be on the short list to submit detailed proposals.

On April 30, 2015 TxDOT issued a request for proposals (RFP) to the short-listed teams. In October 2015, TxDOT received three design build proposals. On January 24, 2017, proposal revisions were received from three short-listed teams following a request for proposal revisions process. The Commission then conditionally awarded the DBA to Grand Parkway Infrastructure (GPI), LLC on March 28, 2017.

Equity member firms for GPI include Ferrovial Agroman (40%), Granite Construction Company (30%), and DBW Construction –Webber (30%).

## 1.3 Project Milestones

- Conditional Award occurred March 28, 2017
- Contract fully executed on June 30, 2017
- NTP1 issued on July 10, 2017
- Limited NTP2 issued on October 13, 2017
- Option NTP issued for H-West Option on October 27, 2017
- NTP2 (full) issued on October 27, 2017
- GPTC Revenue Bond Financing closed on May 30, 2018
- Start of construction in July 2018
- TIFIA Loan Agreement closed on February 21, 2019
- Substantial Completion to occur within 1,693 days after NTP1
- Substantial Completion Deadline is February 27, 2022
- Projected Substantial Completion date is February 27, 2022
- Projected Open to Traffic date is February 27, 2022
- Expected Revenue Commencement date per GPTC System T&R forecast is May 22, 2022
- Final Acceptance to occur 120 days after Substantial Completion
- Final Acceptance Deadline is June 27, 2022
- Projected date of Final Acceptance is June 27, 2022

## 1.4 Purpose of the Report

GPTC Trust Agreement Section 407 states that General Engineering Consultant shall prepare a progress report at least quarterly during the acquisition and construction of any portion of the Grand Parkway System which is financed in whole or in part with Obligations, commencing within 120 days from the delivery of the initial Obligations or Obligations financing an additional System Segment. The H and I Project is considered an additional System Segment to the Grand Parkway System as defined by the GPTC Trust Agreement. Furthermore, Section 23(b)(i) of the TIFIA Loan Agreement requires that the GPTC furnish the TIFIA Lender a Quarterly Construction Progress Report at such time as required by the Trust Agreement to be filed with the Trustee.

This Quarterly Construction Progress Report complies with the reporting requirements of Section 407 of the Trust Agreement as well as the TIFIA Loan Agreement. This Quarterly Construction Progress Report provides the required information as of last calendar date of the GPTC Fiscal Year quarter preceding its submittal.

## 2.0 Project Costs

Table 2.1A provides: (a) a detailed breakdown of the GPTC bond proceeds available for H and I Project, (b) an adjusted budget showing an estimate of total project costs at completion, (c) actual costs-to-date as of previous quarter end, or November 2018, (d) actual costs-to-date as of end of current quarter, or February 2019, (e) total actual costs-to-date expended as of February 2019 and (f) a forecast comprising an estimate of costs-to-complete. Table 2.1B provides: (a) a detailed breakdown of the TxDOT budgets to cover portion of TxDOT's Agency Costs and Segment I-2B Frontage Road construction costs, (b) an adjusted budget showing an estimate of total project costs at completion, (c) actual costs-to-date as of previous quarter end, or November 2018, (d) actual costs-to-date as of end of current quarter, or February 2019, (e) total actual costs-to-date expended as of February 2019 and (f) a forecast comprising an estimate of costs-to-complete. Table 2.2 provides a forecast of cost for each six-month period over the remaining duration of construction and extends one-year beyond the completion of construction date to ensure all costs are captured.

Actual costs paid-to-date and an estimate of funds required for processing of DB Contractor's draw for the remaining duration of construction are shown in Table 2.3 on a semiannual and cumulative basis. Estimate of funds required is based on the approved maximum payment schedule, including the H-West Option from the DBA, revised as per TxDOT letter dated July 27, 2018, and further adjusted for approved change orders. Approved maximum payment curve is indicative of the DB Contractor's original estimates of costs over time at the time of the contract award, with subsequent adjustments for approved change orders. The DB Contractor's earned value for the work completed is as of the latest approved draw request received for the quarter. Cumulative earned value reported as of the most recent quarter is below the maximum payment by 19.3%. This indicates that DB Contractor needs to assign additional resources and accelerate critical path activities. Refer to Section 5 of this report for additional discussion. Paid-to-date represents the amount that has been disbursed and trails the cumulative earned value estimate of work completed and constraints from the maximum payment schedule included in the DBA. Difference in earned value and paid-to-date amounts also accounts for the time it takes for DB Contractor to assemble and submit the draw request after the cut-off date, address TxDOT review comments, resubmit as necessary, and for TxDOT to approve and process the payment.

**Table 2.1A: GPTC H and I Project Budgets, Actuals, Forecasts and Total Estimated Costs (\$ Thousands)**

Element	GPTC Bond Proceeds Budget <sup>5</sup>			Actuals <sup>5</sup>			Forecast <sup>4</sup>	Estimate at Completion (Actuals and Forecast)
	Original Proceeds	Adjustments	Adjusted Total	Expended Thru Nov'18	Expended This Quarter	Expended Thru Feb'19	Estimate to Complete	
<b>Segments H, I-1, &amp; I-2</b>								
Design-Build Agreement Costs <sup>1,3</sup>	894,702	923	895,625	90,961	60,682	151,643	743,982	895,625
Right-of-Way Acquisition <sup>1</sup>	330,000	-	330,000	37,231	12,103	49,334	280,666	330,000
Toll Equipment & Integration <sup>1</sup>	32,000	6,894	38,894	250	109	359	38,535	38,894
Environmental Mitigation <sup>1</sup>	24,000	(12,000)	12,000	9,942	-	9,942	2,058	12,000
TxDOT Agency Costs <sup>1</sup>	53,737	7	53,744	18,739	1,447	20,185	33,558	53,743
Project Contingencies <sup>1</sup>	110,000	4,176	114,176	-	-	-	114,176	114,176
<b>Subtotal Project Costs</b>	<b>\$1,444,438</b>	<b>-</b>	<b>\$1,444,438</b>	<b>\$157,123</b>	<b>\$74,341</b>	<b>\$231,463</b>	<b>\$1,212,975</b>	<b>\$1,444,438</b>
<b>Financing Costs</b>								
Capitalized Interest (2018 Bonds/BANs) <sup>1</sup>	309,855	-	309,855	24,939	-	24,939	284,916	309,855
Cost of Issuance (2018 Bonds/BANs) <sup>1</sup>	11,537	-	11,537	10,233	97	10,330	1,207	11,537
Capitalized Interest (50% of Series 2013E) <sup>2</sup>	29,639	-	29,639	29,639	-	29,639	-	29,639
Cost of Issuance (50% of Series 2013E) <sup>2</sup>	958	-	958	958	-	958	-	958
Rate Stabilization Fund <sup>1</sup>	50,000	-	50,000	50,000	-	50,000	-	50,000
<b>Subtotal Financing Costs</b>	<b>\$401,988</b>	<b>-</b>	<b>\$401,988</b>	<b>\$115,769</b>	<b>\$97</b>	<b>\$115,865</b>	<b>\$286,123</b>	<b>\$401,988</b>
<b>Total Project and Financing Costs</b>	<b>\$1,846,427</b>	<b>-</b>	<b>\$1,846,427</b>	<b>\$272,892</b>	<b>\$74,437</b>	<b>\$347,329</b>	<b>\$1,499,099</b>	<b>\$1,846,427</b>

Figures shown may not add to totals due to rounding.

Notes:

1. Reflects information provided in the GPTC Annual FY 2019 Capital Construction Budget ("FY19 Budget") for Segments H&I, as adopted by the board on August 21, 2018, including actual costs, forecasted costs, and allocation of the budget contingency, updated to reflect results of the reporting period.
2. Reflects 50% of capitalized interest and cost of issuance for the Series 2013E Bonds.
3. Design Build Agreement Costs reflect approved change orders only.
4. H&I Forecast – see Table 2.2 for allocation of forecast into six-month periods.
5. Table shows budgeted amounts and actual expenditures of the GPTC for the H and I project. It does not include expenditures by TxDOT for procurement, feasibility studies and District's frontage road project in Segment I-2B supported through other sources – see Table 2.1B for details.

**Table 2.1B: TxDOT H and I Budgets, Actuals, Forecasts and Total Estimated Costs (\$ Thousands)**

Element	TxDOT Budget <sup>1</sup>			Actuals <sup>1</sup>			Forecast	Estimate at Completion (Actuals and Forecast)
	Original Budget	Adjustments	Adjusted Total	Expended Thru Nov'18	Expended This Quarter	Expended Thru Feb'19	Estimate to Complete	
<b>TxDOT Agency Costs</b>								
TxDOT Management	1,885	-	1,885	1,885	-	1,885	-	1,885
Feasibility Studies	8,840	-	8,840	8,840	-	8,840	-	8,840
Traffic and Revenue Studies	1,126	-	1,126	1,126	-	1,126	-	1,126
Procurement, Legal and Fin Consultants	6,660	-	6,660	6,660	-	6,660	-	6,660
<b>Subtotal TxDOT Agency Costs</b>	<b>\$18,511</b>		<b>\$18,511</b>	<b>\$18,511</b>		<b>\$18,511</b>		<b>\$18,511</b>
<b>TxDOT District Project</b>								
District I-2B Construction Project <sup>2</sup>	59,000	2,193	61,193	58,978	1,465	60,443	750	61,193
<b>Subtotal TxDOT District Project</b>	<b>\$59,000</b>	<b>\$2,193</b>	<b>\$61,193</b>	<b>\$58,978</b>	<b>\$1,465</b>	<b>\$60,443</b>	<b>\$750</b>	<b>\$61,193</b>
<b>Total Project and Financing Costs</b>	<b>\$77,511</b>	<b>\$2,193</b>	<b>\$79,704</b>	<b>\$77,489</b>	<b>\$1,465</b>	<b>\$78,955</b>	<b>\$750</b>	<b>\$79,704</b>

Figures shown may not add to totals due to rounding.

Notes:

1. Table shows budgeted amounts and actual expenditures incurred by TxDOT under Fund 6. It does not include expenditures supported through GPTC bond proceeds – see Table 2.1A for costs supported by GPTC bond proceeds.
2. District I-2B Frontage Road Construction Project is Substantially Complete with Final Acceptance pending completion of punch list items.

**Table 2.2: H and I Project Forecast Costs (\$ Thousands)**

Element	Forecast <sup>2</sup>								Total Estimate to Complete	
	FY 2019	Fiscal Year 2020			Fiscal Year 2021		Fiscal Year 2022			FY 2023
	6-month	6-month	6-month	6-month	6-month	6-month	6-month			
<b>Segments H, I-1, &amp; I-2</b>										
Design-Build Agreement Costs <sup>1</sup>	275,285	161,828	103,699	127,674	59,036	16,460	-	-	743,982	
Right-of-Way Acquisition	100,000	77,560	77,560	9,661	9,661	2,750	2,750	725	280,666	
Toll Equipment & Integration	1,766	4,872	6,846	5,126	6,302	5,450	8,175	-	38,535	
Environmental Mitigation	816	609	430	110	52	27	13	-	2,058	
TxDOT Agency Costs	9,535	8,429	6,250	3,000	3,000	1,672	1,672	-	33,558	
Project Contingencies	-	-	-	-	-	-	-	114,176	114,176	
<b>Subtotal Project Costs</b>	<b>\$387,402</b>	<b>\$253,298</b>	<b>\$194,785</b>	<b>\$145,570</b>	<b>\$78,051</b>	<b>\$26,359</b>	<b>\$12,610</b>	<b>\$114,901</b>	<b>\$1,212,975</b>	
<b>Financing Costs</b>										
Capitalized Interest (2018 Bonds/BANs)	37,099	37,099	37,099	37,099	37,099	37,099	37,099	25,222	284,916	
Cost of Issuance (2018 Bonds/BANs)	1,207	-	-	-	-	-	-	-	1,207	
Capitalized Interest (50% of Series 2013E)	-	-	-	-	-	-	-	-	-	
Cost of Issuance (50% of Series 2013E)	-	-	-	-	-	-	-	-	-	
Rate Stabilization Fund	-	-	-	-	-	-	-	-	-	
<b>Subtotal Financing Costs</b>	<b>\$38,306</b>	<b>\$37,099</b>	<b>\$37,099</b>	<b>\$37,099</b>	<b>\$37,099</b>	<b>\$37,099</b>	<b>\$37,099</b>	<b>\$25,222</b>	<b>\$286,123</b>	
<b>Total Project and Financing Costs</b>	<b>\$425,708</b>	<b>\$290,397</b>	<b>\$231,884</b>	<b>\$182,669</b>	<b>\$115,150</b>	<b>\$63,458</b>	<b>\$49,709</b>	<b>\$140,123</b>	<b>\$1,499,099</b>	

Figures shown may not add to totals due to rounding.

Note:

1. Design Build Agreement Costs reflect approved change orders only.
2. Does not include TxDOT Fund 6 forecast of \$750,000 for District I-2B Construction Project to be expended in Fiscal Year 2019.

**Table 2.3: H and I Project Design Build Agreement Construction Draw (\$ Thousands)**

Period		Estimate of Construction Draw <sup>1,4</sup>		Earned Value <sup>2</sup>		Cumulative Paid-to-Date <sup>3</sup>
Begin	End	Period	Cumulative	Period	Cumulative	
NTP1	8/31/2017	12,403	12,403	12,403	12,403	12,403
9/1/2017	2/28/2018	25,125	37,528	40,711	53,114	37,528
3/1/2018	8/31/2018	42,806	80,334	32,605	85,719	80,334
9/1/2018 <sup>3</sup>	2/28/2019 <sup>3</sup>	140,567	220,901	92,455	178,174	151,643
3/1/2019	8/31/2019	206,027	426,928			
9/1/2019	2/29/2020	161,828	588,756			
3/1/2020	8/31/2020	103,699	692,455			
9/1/2020	2/28/2021	127,674	820,129			
3/1/2021	8/31/2021	59,036	879,165			
9/1/2021	2/28/2022	16,460	895,625			

Notes:

1. Estimate of Construction Draw is based on the maximum payment schedule, including the H-West Option, revised as per TxDOT letter dated July 27, 2018 with adjustments for executed change orders.
2. Earned Value is based on construction work completed per the latest draw request as of the reporting period.
3. Paid-to-Date represents amounts that were disbursed by quarter end and reported in the periods they were earned.
4. Estimate of Construction Draw reflects approved change orders only.

### 3.0 Overall Progress of Construction

Construction activities started on the project in summer of 2018 and have continued to make steady progress. The DB Contractor has continued to engage on environmental coordination, permitting, right-of-way, utilities and public outreach. Design has been progressed and submittals made to TxDOT for review and comment, leading to release-for-construction documents. A summary of progress for the quarter is summarized below and illustrated in construction photographs included with Appendix A.

### 3.1 Public Information & Communications by the DB Contractor

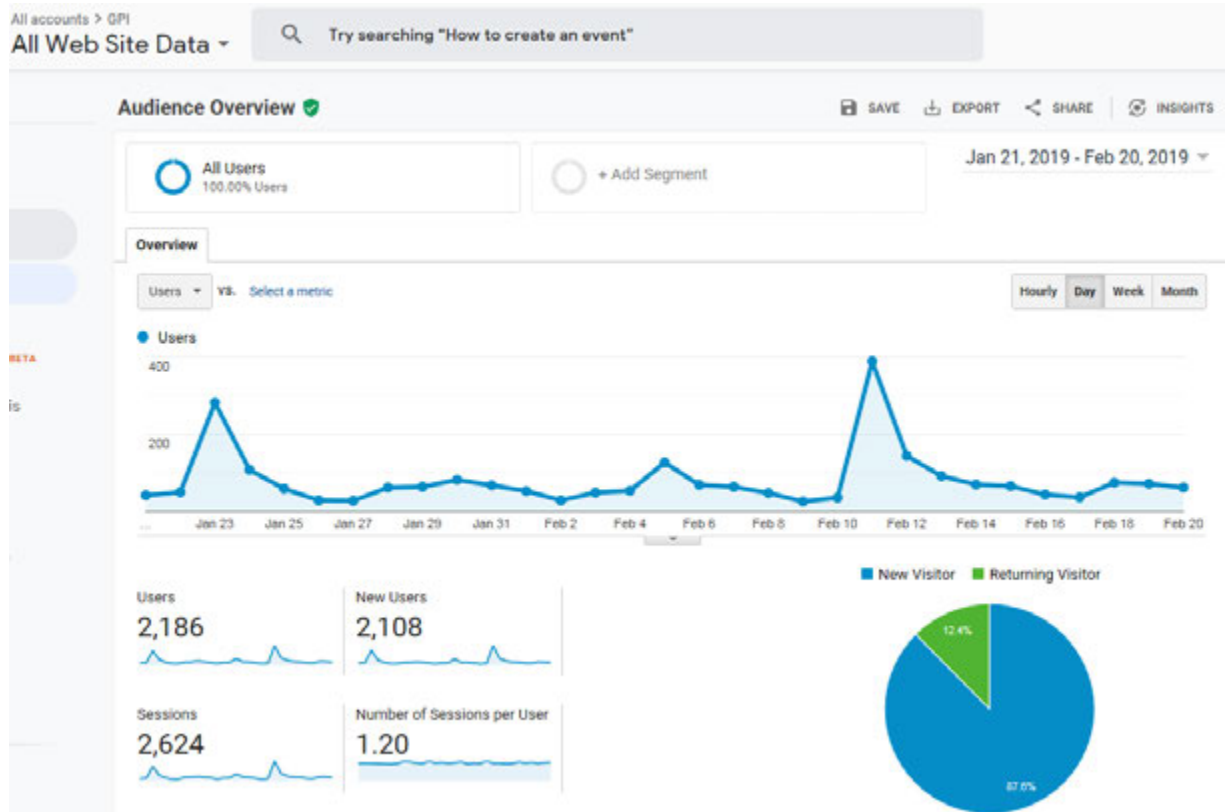
Public Information Office located at 7560 FM 1960, Dayton is functional and operating. Domain name [www.sh99grandpkwy.com](http://www.sh99grandpkwy.com) is maintained by the DB Contractor and continues to be a source of information for the project.

Contact subscription list continues to grow. At closing of this quarter, 832 recipients (elected officials, TxDOT, corridor residents, business owners, and GPI staff) are signed up to receive project alerts, newsletters, etc.

Social media presence for the project continued to increase. At closing of this quarter, the project website had 254 followers on Twitter site and 612 followers on Facebook (FB). The number of people who had any posts from the GPI FB page on their screen was 33,855 for the most recent month of the quarter ended February 2019. Figure 3.1 shows data for project website users and sessions during the last month of this reporting quarter.

DB Contractor has held outreach and made presentations and held networking events regarding the project to various interested parties such as:

- Dayton Chamber of Commerce
- Greater East Montgomery Chamber of Commerce
- Baytown Chamber of Commerce
- Crosby-Huffman Chamber of Commerce
- City of Baytown



**Figure 3.1: Grand Parkway Segments H, I-1 and I-2 on Social Media**

### 3.2 Utilities

DB Contractor continues to negotiate PUAAs with utility owners and has completed sending out the PUAAs to all known affected utility owners. Seventeen PUAAs have been fully executed. One PUA (Oneok) was returned from Owner and is pending submission to TxDOT for approval. The remaining PUAAs are currently being reviewed by the utility owners. Overall status of the utility coordination is shown in the following table.

**Table 3.1: Status of Utilities Work**

Utility Status	
Anticipated Total Utility Adjustments	343
<b>PUAAs</b>	
Anticipated Total	39
Executed	17
Remaining	22
<b>UAAA's</b>	
Anticipated Total	62
Executed	6
Remaining	56

Anticipated total utility adjustments represents an estimate of conflict locations requiring adjustment based on the DB Contractor’s design progress. As the roadway design progresses, conflicts may be avoided, or additional conflicts may be identified. The DB Contractor continues to progress pending PUAAs, UAAA’s, and design for the remaining Owners. Additionally, the DB Contractor is verifying civil design impacts and working on completing AUA’s with Utility Owners for utilities that are not in conflict and its right of way team is currently pursuing the required easement documents.

Status of DB Contractor managed design is as follows:

- Undine –100% exhibits have been approved for waterline relocation
- Mt. Belvieu – 100% design plans are approved by Mont Belvieu
- Plum Creek – RFC plans have been completed
- AT&T – 60% design has been completed
- Frontier – 100% design has been approved
- Entergy – 90% design completed for locations 1-2



Status of utility owner managed design is as follows:

- Entergy Transmission – Two crossings are in for review with Entergy.
- CenterPoint Electric – Continues to design the relocations for their area of operation. Several areas have been designed. Coordination efforts in process to ensure priority areas are receiving the most attention. Major underground design has been completed and reviewed.
- Comcast – Provided DB Contractor with record/reference drawings. Design and Coordination with electrical relocations is in process.

### 3.3 Permits/Environmental

Reevaluation of ATC 18 in Segment I-2 was approved by TxDOT and reported in last quarterly report. This design was subsequently approved by USCG in February 2019 and permit is now in place.

DB Contractor resubmitted reevaluation package to TxDOT in January. Design changes covered in the reevaluation package include:

- Dayton Canal - proposed Bridge to Culvert design change. THC has approved this design change
- Church House Gully – proposed Bridge to Culvert.
- Pond Easement at Station 1382
- West Dayton Ditch – proposed Bridge to Culvert.
- Tributary 1 to Cedar Bayou
- Tributary 2 to Cedar Bayou
- Pond Easement at Station 1910
- Passing Lanes Redesign between SH 146 and Future Langston Rd.
- Drainage Channel at FM 565 to Hackberry Gully
- Drainage Channel at Future Langston Blvd. to Hackberry Gully

Other changes being coordinated with DB Contractor's design team include:

- Additional ROW at CR 491 – for drainage
- Additional ROW N of US 90 – for drainage
- Additional ROW S of FM 1413 – for drainage
- Additional ROW for Ponds – at Parcel 1172

Asbestos containing material & lead based paint abatement activities include:

- RR Bridge over SH 99 in Segment I2: Abatement Report being completed. Report will be provided to TxDOT for review.
- Phase II at TxDOT Parcel 332 (Placid Tank Farm): Demolition Contractor hired by the DB Contractor. Abatement Contractor will provide price for abatement based on locations and demolition plan. Cost being assembled to be submitted for TxDOT for approval.
- Lead Based Paint on Cedar Bayou RR Bridge: Abatement Plan has been approved by TxDOT. Coordination with USCG is ongoing. The DB Contractor provided USCG updated 60-day notification in February.

- Structures Surveys – Following Parcels have structures that have been surveyed for Asbestos Containing Materials (ACM) and Lead Based Paint (LBP).
  - Parcel 825 – Home had 100 sqft of ACM and 2300 sqft of LBP
  - Parcel 826 – Home had 1000 sqft of LBP – Modular Home
  - Parcel 828 – No Hazardous Materials
  - Parcel 829 – Home has 50 sqft of ACM and 2000 sqft of LBP
  - Parcel 830 – Structure has 230 sqft of LBP
  - Parcel 849 – No Hazardous Materials
  - Parcel 857 – Structure has 6 sqft of ACM and 4000 sqft of LBP
  - Parcel 1208 – Structure has 2000 sqft of LBP

For potential borrow source locations, DB Contractor continues to work on the necessary environmental field studies to satisfy Special Condition 2 and 4 of the USACE Individual Permit (IP) and Nation-Wide Permit (NWP).

### 3.4 Right of Way

In accordance with the terms of the DBA the DB Contractor is responsible for right-of-way surveys, appraisals, environmental phase I assessments, acquisition packages, title searches and relocation packages. Overall the schedule of right-of-way acquisitions and associated costs are tracking against the DB Contractor’s baseline schedule. The following table provides a detailed status of progress made towards releasing parcels for construction through this reporting period. An assessment of actual parcels acquired and released for construction against total to be acquired is discussed in Section 8 of this report.

**Table 3.2: Status of Right of Way Work**

Item	Activities Completed Previous Periods	Activities Completed Current Period	Total Completed Activities	Activities In-Progress
Pre-Acquisition (Title Searches, ROEs, etc.)	315	1	316	0
Appraisals (prep, approval for initial and ED update)	432	25	457	5
Surveys (prep, review, approval)	467	1	468	0
ESA Phase I's	235	1	236	0
Acquisition Packages (prep, review, approval)	361	51	412	4
Initial Offers Made	151	45	196	8
Final Offers to Made	106	72	178	2
Closing Payment Packages (prep, approval, funding for PUA's and signed deeds)	105	122	227	19
Closings	19	36	55	5
Relocation, Relocation Payment Packages and 90-Day NTV's	69	66	135	27
ED Packages (prep, review, approval)	20	35	55	23
ED Proceedings (AAG approval and setting hearing)	20	2	22	14
ED Payment Packages (prep, approval, funding, deposit and 30-day NTV)	46	31	77	10
Released for Construction	25	24	49	0

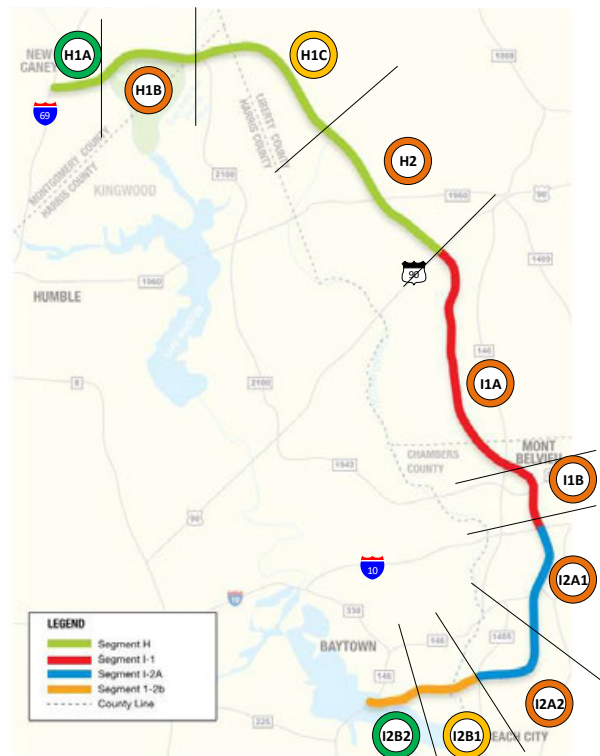
Note: For a discussion of parcels released into construction against total number of parcels to be acquired, see Section 8 of this report

### 3.5 Design

DB Contractor is designing the project in priority areas as depicted in Figure 3.2. These areas represent the priority for construction based on availability of right-of-way. The subsegments that have top priority are marked with green circles and consist of Section H-1A; US-69 to East of LP 494 and Section I-2B2; SH 146 to Cedar Bayou. These are then followed by subsegments shown in yellow and orange.

The progress up to end of the current quarter is as follows:

- Design has been progressing and is approximately 82% complete.



#### Priority 1

- TxDOT Parcels
- Released for Construction after NTP2
- Minor Utility Adjustments
- Early Work area; 5.3 Miles
- 12 Bridges
- Expected Start of Construction August 2018

#### Priority 2

- Acquisition of ~30 Parcels
- Castle hill Donation Parcel included
- 9.2 Miles
- 12 Bridges
- Expected Start of Construction January 2019

#### Priority 3 & 4

- Acquisition of ~200 Parcels
- 32.4 Miles
- 53 Bridges
- Expected Start of Construction July 2019

**Figure 3.2: DB Contractor Priority Areas for Design Development**

- DB Contractor continues to review and develop the design, both in terms of technical compliance and value-engineering opportunities.
- Regular DB Contractor meetings with the design consultants were ongoing to progress the design submittals.
- DB Contractor continues to coordinate design development with TxDOT through meetings and RFI submittals.
- Released-for-Construction submittals were made for Segments H-1A, H1C, I-2A1, I-2A2, I-2B1 and I-2B2.
- DB Contractor continues to respond to TxDOT submittal comments.

### 3.6 Tolling Systems

Coordination is on-going between the DB Contractor and TransCore for design at tolling locations. TransCore is responsible for design and construction of tolling infrastructure in the toll zones.

### 3.7 Quality

DB Contractor has mobilized its quality control staff as well as Independent Quality Firm staff to perform inspection and testing. Construction quality control and hold point inspections for

drilled shaft construction were performed. DB Contractor has instituted a process for reporting non-conforming work and is maintaining a log of non-conformance reports and of Construction Deficiencies. Status of quality related actions as of the closing of this quarter:

- Total NCRs issued as of closing of current quarter: 18 (2 open)
- Observation Reports issued as of closing of current quarter: 10 (2 open)
- Engineering Judgements: 13
- Construction Deficiencies: 9 (5 open)

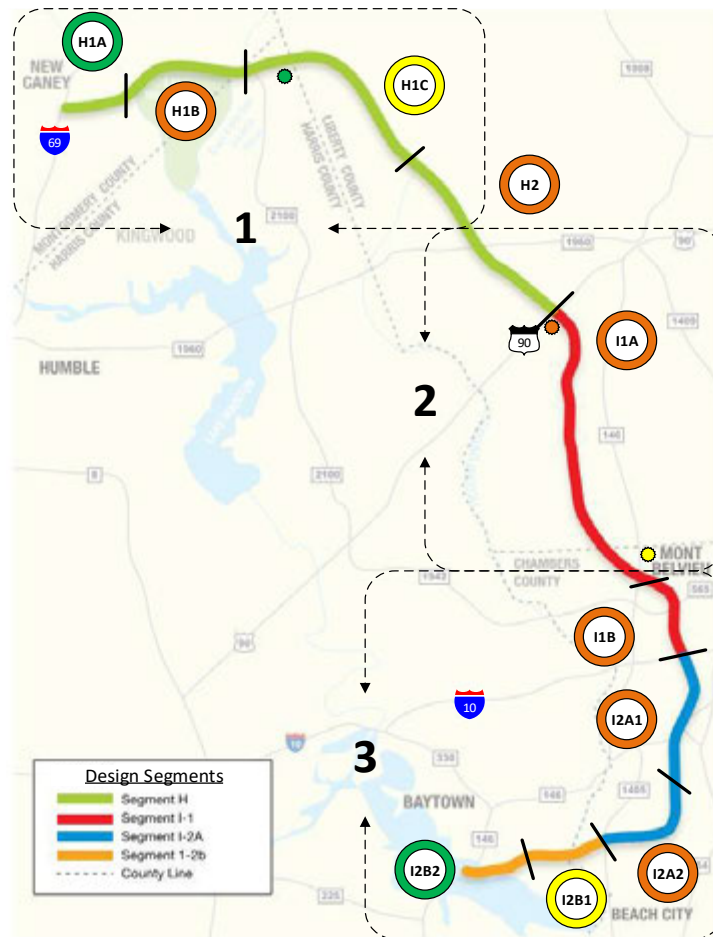
### **3.8 Maintenance During Construction**

With the issuance of full NTP2, the DB Contractor is responsible for maintaining all existing roadways within the project right-of-way of Segments H and I-1 and is responsible for elements modified or constructed by the DB Contractor in Segment I-2. The DB Contractor has developed procedures under its Maintenance Management Plan to inspect and repair facilities on an ongoing basis. Debris removal and sign straightening have been the main items of maintenance work in this quarter. Activities carried out by the DB Contractor includes:

- Weekly Inspections Completed: 9
- Monthly Inspections Completed: 3
- Special Inspections Completed: 0
- Incident Responses Attended: 1
- Defects Identified this Period: 7
- Defects Resolved this Period: 5
- Defects Total to Date: 40
- Defects Resolved to Date: 38
- Defects Currently Unresolved: 2

### 3.9 Construction

The DB Contractor is constructing the project in three segments. Figure 3.3 shows the correlation of design priority subsegments to the three construction segments.



## Construction Segments

### Construction Segment 1:

- Segment Manager: Jason Pittenger (Webber)
- From Segment G Tie-In near US 59 to North of FM 1960 (17.1 Miles)
- 45 Bridges with 871k SF of Deck; 14k CY Substructure
- 1.35M CY EX and 3.3M CY EMB; 1.9M CY to Borrow

### Construction Segment 2:

- Segment Manager: Brais Saurez (Ferroval)
- From North of FM 1960 to SH 146 (16.5 Miles)
- 19 Bridges with 523k SF of Deck; 10k CY Substructure (includes a 4,000+ LF Bridge over Railroad)
- 602k CY EX and 3.5M CY EMB; 2.9M CY to Borrow
- Segment will also oversee work in Luce Bayou

### Construction Segment 3:

- Segment Manager: Chris Allen (Granite)
- From SH 146 to Southern Terminus of the Project (6.2 Miles)
- STA 445+31 to STA 617+93 (1.4 Miles)
- STA 74+00 to STA 351+48 (5.3 Miles)
- 25 Bridges with 235k SF of Deck; 4.5k CY Substructure
- 400k CY EX and 3.2 CY EMB; 2.8M CY to Borrow
- Segment will oversee the Cedar Bayou Lift Bridge

Figure 3.3: Construction Segments and Priority Design Areas

For the reporting period, the DB Contractor construction operations in in each of the three construction segments broken out by priority area where applicable is as follows:

#### Segment 1:

Activities in H-1A included:

- o Embankment between US-59 to Loop 494
- o Stripping topsoil and proof rolling West of US-59 and between US-59 to Loop 494
- o Installing RCP and inlets US-59 to Loop 494
- o Installing level pad and underdrain West of US-59
- o Continued setting MSE panels
- o Began drainage ditches and proof roll East of US-59
- o Continued forming and pouring bridge footings and columns for Bridges 203 and 204
- o Continued substructure shoring for Bridges 203 and 204
- o Completed setting deck panels for Bridges 201 and 202

- Continued Community Drive traffic switch and demolition
- Installed low profile barrier at Community Dr. Loop per TCP
- Started installing Overhang Brackets for Bridge 202

Activities in H-1C included:

- Continued tree cutting and general clearing and grubbing
- Continued installation of erosion control measures

Segment 2:

- Conducted soil tests at borrow pit and at sand source
- Continued with drilling boreholes at north parcel of Weldon Alder's borrow pit to investigate soil properties
- Continued grading and clearing at Weldon Alder's borrow pit
- Build haul road crossing at Weldon Alders north parcel
- Started construction of haul road from Weldon Alder's borrow pit to project Right of Way

Segment 3:

Activities in I-2B1 included:

- Completed tree clearing
- Received results of the Potential Vertical Rise (PVR) and lime series along the EBFR
- Completed City of Baytown 12" waterline and force main along the EB FR at Koppell Road
- Completed columns at Bridge 20 (FM 1405)
- Initiated work on bent caps at Bridge 20 (FM 1405)
- Continued embanking for wick drains at Br 20 (FM 1405)
- Started installation of wick drains at Br 20 (FM 1405)
- Demo of West Bay Rd
- Installed Culverts 1, 6, and 8, and RCP and Culvert 5 RCB at all side streets along EBFR

Activities in I2-B2 included:

- Finished clearing for the City of Baytown Waterline at Wyoming
- Started drilled shafts at Bridge 22

Activities in I2-A1 included:

- Started drilled shafts at Bridge 15
- Constructed drilled shafts and extensions at Bridge 16 (Future #7)
- Constructed drilled shafts at Bridge 17 (Kilgore)
- Constructed drilled shaft and extensions at Bridge 17 Abutment 1 (Kilgore)

Activities in I2-A2 included:

- Completed columns at Br 18 (Fisher)

## 4.0 Substantial Completion

Substantial Completion and opening to traffic is anticipated to occur concurrently in February 2022. According to the most recent progressed schedule submitted by the DB Contractor in this reporting period, Substantial Completion of H and I Project is indicated to potentially be 46 days beyond the 1,693 days that are available to the DB Contractor after accounting for approved change orders. DBA requires a recovery schedule to be submitted if the projected completion date exceeds the approved contractual days by greater of (i) 30 days, or (ii) 5% of the remaining duration. While 46-day contractual threshold is more than 30-days it's still less than the 5% of the remaining duration (59 days) that is available. The DB Contractor is asked to closely monitor project slippage, remaining project duration and continue to track contract requirements for a recovery schedule as outlined in the DBA. Project slippage is expected to be mitigated through additional resources and activity acceleration. Substantial Completion is therefore expected to occur on February 27, 2022. Project completion through Final Acceptance is projected to be 120 days after Substantial Completion on June 27, 2022.

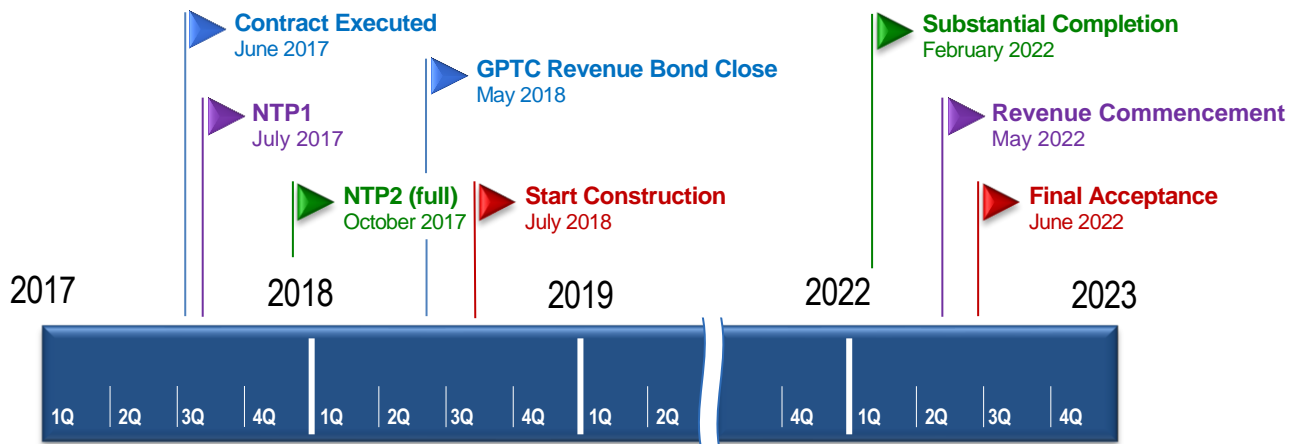
DB Contractor has an interim milestone requirement to complete work in Toll Zones 180 days prior to Substantial Completion Deadline and handover to Toll System Integrator. Latest schedule from the DB Contractor indicates this to be July 13, 2021 which meets with the requirements of the DBA. TxDOT continues to monitor the schedule for turning over the Toll Zone and facilitates DB Contractor and Toll System Integrator in coordinating their efforts to meet the target date.

## 5.0 Material Problems Encountered

There were no material problems encountered this quarter. As of February 20, 2019, when the latest draw submittal was made by the DB Contractor (in this reporting period), actual schedule percent complete was 17.49% (as measured by the Primavera performance based cost loaded schedule submittal). This is behind the Planned Schedule Percent Complete of 22.31%. Similarly, earned value reported by the DB Contractor and included in Table 2.3 of this report shows that overall progress is behind what was originally estimated and included in the form of the maximum payment curve. An assessment of the DB Contractor's progress against the Project Baseline CPM (Critical Path Method) schedule for the reporting period indicates that the Contractor is behind schedule by about 46 days. However, projected Substantial Completion remains unchanged at this time and is expected to occur on February 27, 2022. The DB Contractor is being monitored closely and will be required to submit a recovery schedule should any activity on the Critical Path is delayed greater of 30-days or number of days equal to 5% of the days remaining until a completion deadline. Whereas the requirement for recovery schedule is not yet met because delay of 46 days is less than 59 days which is equal to 5% of the days remaining until the completion deadline, none-the-less schedule is being monitored closely and the DB Contractor asked to consider mobilizing additional resources and accelerate certain activities.

Commencement of toll revenues are anticipated to meet the date included in the T&R study. The GPTC System T&R forecast and CDM Smith 2018 Bring Down Letter assume that Segments H, I-1 and I-2B will be open to tolled traffic on May 22, 2022.





Note:  
Future dates are subject to change

**Figure 5.1: H and I Project Milestones**

As was the case with the schedule, there are no material problems encountered with costs. As reported in the last quarterly report, one issue of concern was the escalation in domestic steel prices for reinforcement steel. The DB Contractor had made a request for partnering discussion in accordance with the provisions of the DBA to discuss whether there is any entitlement to a relief through change order. These discussions were held and TxDOT's position was that DB Contractor is not entitled to such relief under the DBA. The DB Contractor may consider escalating the partnering discussions to the next level as allowed under the DBA.

## 6.0 Delivery Status of Equipment

No issues with equipment deliveries from the DB Contractor or the Toll System Integrator are currently anticipated. DB Contractor will procure the ITS and Traffic Signal equipment which is routine for such project.

TransCore is responsible for installing Tolling Equipment such as transponder readers and cameras, and has done so on other projects for TxDOT on a statewide basis.

## 7.0 Change Orders

### 7.1 Approved Change Orders

No new change orders were approved in the period covered by this progress report. Appendix B provides the overall list of approved change orders.

### 7.2 Pending Change Orders

As discussed in the previous progress report, two change orders are under review. This includes revisions to Bridge #8 configuration over Rail Yard/Speer Property and a requirement from

Coastal Water Authority to construct a siphon system at Luce Bayou and request from UPRR to increase US90 bridge span length. TxDOT issued a Directive letter to DB Contractor for Bridge Over Rail Yard to describe the scope of Work and to lock the already negotiated Change Order amount. Anticipated value of these pending change orders is as follows:

**Pending Change Order #3**

- Bridge Over Rail Yard/Speer Property
  - Amount = \$17,600,000
  - Days = 0

**Pending Change Order #4**

- CWA Siphon at Luce Bayou
  - Amount = \$4,799,826
  - Days = 0

**Total for Pending Change Orders**

- Amount = \$22,399,826
- Days = 0

## 8.0 Right of Way Acquisition

TxDOT carried out early right of way acquisition activities prior to issuance of NTP2. With the issuance of the NTP2, the DB Contractor is made responsible for all right of way acquisitions. Based on progress reporting from the DB Contractor, to date status of acquisitions is as follows:

**Table 8.1: Progress on Right of Way Acquisitions**

ROW Status	
Estimated Total Number of Parcels <sup>1</sup>	234
Surveys Submitted for TxDOT Approval <sup>2</sup>	226
Right-of-Entry – Signed or verbal <sup>3</sup>	217
Parcels in Possession and cleared for construction <sup>4</sup>	49

**Notes:**

1. Estimated total number of parcels represents most recent estimate of total acquisitions required based on the status of design development.
2. Surveys submitted for TxDOT approval represents approved surveys and those pending approvals as of the report period. Surveys previously submitted but requiring modifications are not included in the count until resubmitted.
3. Right-of-Entry figures represent active verbal or signed right of entries excluding those that may have expired.
4. As of reporting period, 49 out of the estimated total parcels to be acquired, or 21% are cleared for construction.

The DB Contractor right of way acquisition activities are on track as indicated by the earned value reporting and actual percent complete discussed in Sections 2 and 5 respectively

## 9.0 Discussion of Other Matters

There are no matters related to the H and I Project Construction that have been requested.

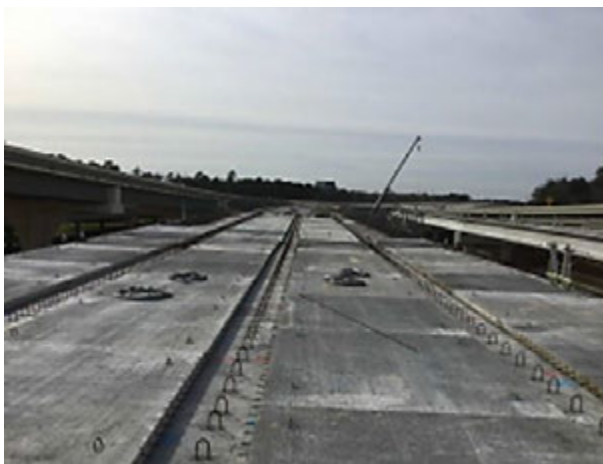
APPENDIX A – Construction Photos for the Quarter



**Figure A.1: Embankment Between US-59 201 and Loop 494 in Segment 1**



**Figure A.2: Bridge 201, Bent 4, Concrete Pour at the Bent Cap in Segment 1**



**Figure A.3: Bridge 202, Installed Deck Panels in Segment 1**



**Figure A.4: Bridge 203, Bent 3, Concrete Pour for the Footing in Segment 1**



**Figure A.5: Bridge 203, Bent 2, Concrete Pour at Column 1 in Segment 1**



**Figure A.6: Bridge 203, Bent 6, Concrete Pour at Footing in Segment 1**



**Figure A.7: View of MSE Wall Installation in Segment 1**



**Figure A.8: View of Drainage Installation West of US-59 in Segment 1**



**Figure A.9: Drainage Between US-59 and Loop 494 in Segment 1**





**Figure A.10: View of Earthwork Operations in Segment 1**



**Figure A.11: Bridge 15, Drilled Shaft Construction in Segment 3**



**Figure A.12: Bridge 20, View of Constructed Footings in Segment 3**



**Figure A.13: Bridge 20, Wick Drain Installation in Segment 3**



**Figure A.14: Bridge 20, Column Construction in Segment 3**



**Figure A.15: Culvert installation at Eastbound Frontage Road Segment 3**



## APPENDIX B – Change Orders List

Change Order No.	Description	Status	Date Executed	Time Impact (days)	Cost Impact (\$)
1	Hurricane Harvey Impact & NTP2 Delay	Executed	11/20/18	19	-
2a	Castle Hill CH Partners Utility Casings	Executed	9/18/18	0	849,097
2b	Remove RR Track from UPRR Structures	Executed	9/18/18	0	73,941
Subtotal for Executed Change Orders				19	923,038
3	Bridge Over Rail Yard/Speer Property	Pending	NA	0	17,600,000
4	CWA Siphon at Luce Bayou	Pending	NA	0	4,799,827
Subtotal for Pending Change Orders				0	22,399,827
Total for Executed and Pending Change Orders				19	23,322,865

Figures shown may not add to totals due to rounding.

**Note:**

With the approval of change orders 1, 2a and 2b, the total construction cost for the DBA has increased by \$923,038 from \$894,701,621.55 to \$895,624,659.55 and total days have increased from 1,674 to 1,693.

## APPENDIX C – Acronyms and Abbreviations

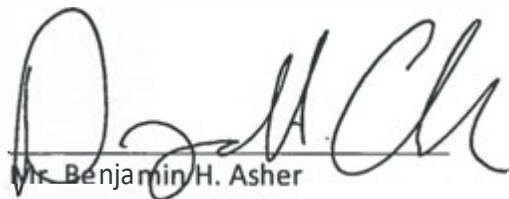
ATC	Alternate Technical Concept
AUA	Abbreviated Utility Agreement
CPM	Critical Path Method
DB	Design Build
DBA	Design Build Agreement
ED	Eminent Domain
ESA	Environmental Site Assessment
FHWA	Federal Highway Administration
FM	Farm to Market Road
GEC	General Engineering Consultant
GPI	Grand Parkway Infrastructure, LLC (DB Contractor)
GPTC	Grand Parkway Transportation Corporation
IH	Interstate Highway
IP	Individual Permit
ITS	Intelligent Transportation Systems
MSE	Mechanically Stabilized Embankment
NCR	Non-Conformance Report
NEPA	National Environmental Policy Act
NTP	Notice to Proceed
NWP	Nationwide Permit
PUA	Possession and Use Agreement
PUAA	Project Utility Adjustment Agreement
RFC	Released for Construction
RFI	Request for Information
ROE	Right of Entry
ROW	Right of Way
SH	State Highway
SI	Systems Integrator
SW3P	Storm Water Pollution Prevention Plan
TTC	Texas Transportation Commission
UPRR	Union Pacific Railroad
US	United States Highway
USCG	United States Coast Guard
USACE	United States Army Corps of Engineers
T&R	Toll and Revenue
TxDOT	Texas Department of Transportation
UAAA	Utility Adjustment Agreement Amendment

GRAND PARKWAY TRANSPORTATION CORPORATION  
UNITED STATES DEPARTMENT OF TRANSPORTATION  
TIFIA LOAN

**Authorized Representative Certificate**

I, Benjamin Asher, Secretary/Treasurer of the Grand Parkway Transportation Corporation, hereby certify that the Quarterly Construction Progress Report to Grand Parkway Transportation Corporation has been prepared in connection with Section 23 of its TIFIA Loan Agreement with the United States Department of Transportation dated February 21, 2019.

The undersigned has executed this Authorized Representative Certificate as of the date set forth below.



Mr. Benjamin H. Asher

Secretary/Treasure  
Grand Parkway Transportation Corporation  
Borrower's Authorized Representative

4/25/2019  
Date