

NEWS RELEASE



CENTRAL TEXAS
Regional Mobility Authority

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MoPac Improvement Project Contractor Issued Notice of Default *Mobility Authority Seeks Remedy for Timely Project Completion*

(Austin, Texas)— The Central Texas Regional Mobility Authority has issued a “Notice of Default” to MoPac Improvement Project Design-Build Contractor, CH2M, Inc. Given the schedule uncertainty and the failure of the contractor to increase the current pace of construction, the Mobility Authority has determined that it is necessary to exercise its rights under the existing contract and to issue a notice of default to CH2M in an effort to seek an immediate remedy to expedite construction.

“This is part of our contractual discussions and construction is expected to continue during this process. We will continue to work to deliver the MoPac Improvement Project as soon as possible so that we can provide reliable travel times in this heavily congested corridor,” says Mike Heiligenstein, Executive Director of the Mobility Authority.

At the start of the project, CH2M was required to purchase a surety bond to protect the Mobility Authority against default. As part of the “Notice of Default”, CH2M has up to 60 days “to cure” or satisfactorily respond to the “Notice of Default” and produce a plan that ensures completion of the project pursuant to an acceptable schedule. The bonding company will be engaged in the cure discussions.

“It is clear we need to take firm action to ensure our neighbors along the project corridor and the people who drive MoPac every day don’t have to endure ongoing uncertainty regarding sound wall construction and project completion,” says Heiligenstein.

The Mobility Authority has already assessed CH2M more than \$1 million in contractually specified damages related to unauthorized lane closures. CH2M may also be assessed additional contractual damages related to failure to complete the project on time, for total damages in an amount up to \$20 million.

CH2M is submitting delay claims and the Mobility Authority is reviewing those claims as part of the process outlined in the contract. To date, the Mobility Authority has not found justification to compensate CH2M for these claims or to extend the project completion deadline. The claims may be advanced as part of a formal Dispute Resolution process as outlined in the contract and could be the subject of future litigation.

(more)

For more information about the MoPac Improvement Project visit www.MopacExpress.com.

About the Mobility Authority

The Central Texas Regional Mobility Authority is a local, independent government agency created in 2002 to improved the regional transportation system in Travis and Williamson counties. The Mobility Authority implements innovative and sustainable transportation options to enhance quality of life and economic vitality in Central Texas. The Mobility Authority operates the 183A Toll Road in Williamson County and the 290 Toll Road (Manor Expressway) in east Austin. It's preparing to start construction on the 183 South project in Spring of 2016. For more information about the Mobility Authority, visit www.MobilityAuthority.com.