CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

RESOLUTION NO. 37–FY2018

RELATIVE TO APPROVAL OF CONTRACT FOR CONSTRUCTION OF UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT, PROJECT NO. S17-003-OEA

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities ("CCU") has plenary authority over financial, contractual and policy matters relative to the Guam Waterworks Authority ("GWA"); and

WHEREAS, the Guam Waterworks Authority ("GWA") is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, the U.S. Department of Defense, Office of Economic Adjustment awarded to GWA a General Assistance Grant (OCON676-16-02) for the Northern District Wastewater Treatment Plant ("NDWWTP") Upgrade Project (pre-construction) on August 26, 2016 issued for $21,000,000, and subsequent additional grants (OCON676-16-04) for the NDWWTP Upgrade Project (construction) awarded on April 18, 2018 issued for $50,750,000, and (OCON676-16-05) for the NDWWTP Upgrade Project (construction) awarded on August 1, 2018 issued for $67,164,022, of which funding for the Northern District Wastewater Treatment Plant Upgrade is included; and

WHEREAS, the General Assistance Grant is to be used for water and wastewater improvements in support of the relocation of U.S. Marines and their dependents to Guam; and

WHEREAS, the report "Final Guam Water and Wastewater Assessment Report in Support of the Economic Adjustment Committee Implementation Plan," (NAVFAC, Department of the Navy, February 2015) has recommended the design and construction of NDWWTP treatment upgrades to comply with the current National Pollutant Discharge Elimination System

("NPDES") permit and mitigate impacts to wastewater utilities, nearshore waters, and marine biological resources; and

WHEREAS, the upgrade and expansion of the NDWWTP is necessary to provide treatment to secondary standards in accordance with the NDWWTP NPDES permit and to ensure long term, reliable operation; and

WHEREAS, in January 2017, GWA procured the services of a consulting engineering team (Brown and Caldwell) to provide Project Management / Construction Management (PM/CM) Services for the Office of Economic Adjustment "Guam Water and Wastewater Infrastructure Improvements" via Resolution 15-FY2017 of which construction management services for the Northern District WWTP is a component; and

WHEREAS, via Resolution 47-FY2017 Relative to Approval of Contract for Design Services for the Upgrade of the Northern District Wastewater Treatment Plant to Secondary Treatment, GWA Project No. S17-003-OEA (OEA Grant OCO N676-16-02), approved by the CCU in July of 2017, GWA management was authorized to enter into a contract with Duenas Camacho and Associates to design the WWTP Upgrade on the existing site and the new property obtained for the WWTP; and

WHEREAS, GWA has determined that the most expedient process to meeting the OEA Grant deadline for completion of the Northern District WWTP Upgrade of December 31, 2021 was to break the construction activities into two phases with Phase I for Clearing and Grading and Phase II for all vertical and plant process construction; and

WHEREAS, GWA has procured Phase I construction services from IAN Corporation to clear and grade the project site to meet design specifications in preparation for all vertical construction activities that are part of Phase II; and

WHEREAS, GWA has advertised an Invitation for Bid IFB-02-ENG-2019, Step 1 – Technical Proposal on January 11, 2019 soliciting technical proposals for prequalification

purposes from experienced, responsible and responsive bidders to construct the necessary WWTP improvements through a multi-step bid; and

WHEREAS, seventeen (17) interested firms picked up an electronic copy (CD) of the appropriate Step 1 – Technical Proposal bid documents, and thirteen (13) of those firms attended the Step 1 Pre-Bid Conference and of those GWA received five (5) technical proposal submittals before the bid submittal deadline; and

WHEREAS, GWA Engineering evaluated all technical proposals received on March 1, 2019 and determined that five (5) firms met the qualification criteria established for the project (See EXHIBIT A – Step 1 Evaluation and Qualified Bidders List); and

WHEREAS, GWA invited the five (5) firms qualified by the Step 1 Technical Proposal criteria to participate in the Step 2 Pricing Proposal by invitation on March 14, 2019; and

WHEREAS, the Step 2 Bid Form established a Base Bid and four (4) alternate deductive bids, Alternate Bid A (eliminate ATAD and Digester Complex), Alternate Bid B (eliminate New Administration Building), Alternate Bid C (eliminate New Septage Receiving Station) and Alternate Bid D (eliminate Extended Warranty); and

WHEREAS, the Bid documents provide GWA sufficient flexibility to award the contract based on available funding and the elimination of one or more alternate bid items; and

WHEREAS, the five (5) qualified firms picked up the Step 2 – Pricing Proposal bid documents, and those five (5) firms attended the Step 2 Pre-Bid Conference on April 4, 2019 and of those GWA received five (5) pricing proposal submittals before the bid submittal deadline (See EXHIBIT B – Abstract of Bids); and

WHEREAS, GWA Engineering and the Program Manager (PM/CM) and Engineer of Record (EOR) analyzed all bid proposals received on May 29, 2019 and determined that Black Construction Corporation, who submitted the lowest bid for both the Base bid, and all Alternate

bids as being the responsive and responsible bidder and met all the bid requirements set forth by GWA (See EXHIBIT C – Recommendation Letter from DCA dated June 1, 2019); and

WHEREAS, GWA Management desires to complete all work included under the Base Bid and the Bid Submission Requirements allow that "After determination of the Successful Bidder based on this comparative process and on the responsiveness, responsibility, and other factors set forth in these Instructions, the award may be made to said Successful Bidder on its appropriate Base Bid and any combination of its deductive alternate Bid items for which Owner determines funds will be available at the time of award", and

WHEREAS, GWA Management finds the Black Construction Corporation bid proposal of One Hundred Twenty-Two Million Seventy-Seven Thousand and Eighty-Eight Dollars ($122,077,088.00) for the Base Bid to be acceptable (See EXHIBIT D – Bid Proposal); and

WHEREAS, GWA Management is seeking approval to enter into contract with Black Construction Corporation for IFB-02-ENG-2019 in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); and

WHEREAS, GWA further seeks CCU approval of the total bid Proposal in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); plus a five percent (5%) contingency of Six Million One Hundred Three Thousand Eight Hundred Fifty-Four Dollars and Forty Cents ($6,103,854.40), to bring the total authorized funding amount to One Hundred Twenty-Eight Million One Hundred Eighty Thousand Nine Hundred Forty-Two Dollars and Forty Cents ($128,180,942.40); and

WHEREAS, the funding source for the construction project will be from the General Assistance Grants (OCON676-16-02, OCON676-16-04, and OCON676-16-05), and the System Development Charge (SDC) funds or the Bond funds as necessary; and

NOW BE IT THEREFORE RESOLVED, the Consolidated Commission on Utilities does hereby approve the following:

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the bid proposal submitted by Black Construction Corporation are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to accept the bid from Black Construction Corporation attached hereto as EXHIBIT D, and which is also incorporated into this Resolution in its entirety.
4. The CCU hereby authorizes the management of GWA to execute an Agreement with Black Construction Corporation in the amount of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00).
5. The CCU hereby authorizes the funding source for this project to be as described above.
6. The CCU hereby authorizes the funding total of One Hundred Twenty-Two Million Seventy-Seven Thousand Eighty-Eight Dollars ($122,077,088.00); plus a five percent (5%) contingency of Six Million One Hundred Three Thousand Eight Hundred Fifty-Four Dollars and Forty Cents ($6,103,854.40), to bring the total authorized funding amount to One Hundred Twenty-Eight Million One Hundred Eighty Thousand Nine Hundred Forty-Two Dollars and Forty Cents ($128,180,942.40).

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 5th day of June, 2019.

Certified by:	Attested by:
JOSEPH T. DUENAS	**MICHAEL T. LIMTIACO**
Chairperson	Secretary

SECRETARY'S CERTIFICATE

I, Michael T. Limtiaco, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0

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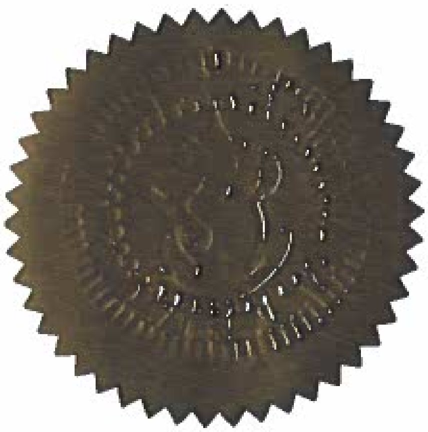

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EXHIBIT A

Step 1 Evaluation and Qualified Bidders List

GUAM WATERWORKS AUTHORITY
"Better Water. Better Lives."
Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913
P.O. Box 3010, Hagatna, Guam 96932
Tel. No. (671) 300-6035

IFB-02-ENG-2019
Multi-Step Bid for the Upgrade of the Northern District Wastewater Treatment Plant (NDWWTP)
GWA Project No. S17-003-OEA

STEP I – TECHNICAL PROPOSAL EVALUATION SCORES

STEP 1 Technical Proposal Evaluators	*Qualification and Experience (60 pts.) Technical Approach and Capacity to Perform the Work (40 pts) (Total Points Possible = 100)*				
	STEP 1 – Technical Proposal Offerors				
	Sumitomo Mitsui Construction Co., Ltd.	Black Construction Corporation	Core Tech-Hawaiian Dredging, LLC	Hensel Phelps	Nan Inc.
John Davis, P.E.	85	83	85	83	80
Mauryn McDonald, P.E.	94	93	96	99	93
Prudencio Aguon	90	81	88	97	83
Ernesto Villarin	76	73	77	89	83
David Fletcher	95	90	98	92	78
Total Score	440	420	444	460	417
Average Score	**88**	**84**	**88.8**	**92**	**83.4**
Pass/Fail	Pass	Pass	Pass	Pass	Pass

GUAM WATERWORKS AUTHORITY
Gloria B. Nelson Public Service Building • 688 Route 15, Mangilao, Guam 96913 • Tel. (671) 300-6036

QUALIFIED BIDDERS LIST NOTIFICATION

This is a notification of a current project under the Guam Water and Wastewater Infrastructure Improvements Program. The project is the Upgrade of the Northern District Wastewater Treatment Plant, GWA Project No. S17-003-OEA which will be complete under a Multi-Step Bid process. Step 1 of the Multi-Step Bid which included the Technical Proposals has been completed and the project moved into Step 2 on March 18, 2019.

The Guam Waterworks Authority (GWA) has invited Contractors ("Bidders") who completed Step 1 of the Multi-Step Bid process to provide Step 2 Pricing Proposals to complete the construction services necessary for the Upgrade of Northern District Wastewater Treatment Plant (NDWWTP) project. The five Qualified Bidders invited to proceed to Step 2 are as follows:

1. Black Construction Corporation
2. Core Tech – Hawaiian Dredging LLC
3. Hensel Phelps Construction Co.
4. Nan Inc.
5. Sumitomo Mitsui Construction Co. LTD

Interested Subcontractors and Suppliers must obtain the relevant bid documents from the Qualified Bidders listed above. GWA will not be supplying the Step 2 Pricing Proposal documents to any parties other than the invited Step 2 Contractors.

MIGUEL C. BORDALLO, P.E.
General Manager

EXHIBIT B

Abstract of Bids

GUAM WATERWORKS AUTHORITY

ORIGINAL

ABSTRACT OF BIDS

Project Name: UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT (NDWWTP)
Bid Opening Date: May 29, 2019

Project Number: S17-0030-OEA IFB No.: IFB-02-ENG-2019
Time: 3:00 pm

COMPANY	BID BOND	CERTIFICATIONS								ADDENDUM					
		Qualification Statement	Non-Collusion Affidavit	Equal Employment Opportunity	Non-Segregated Facilities	Sex Offender Certification	Wage and Benefit Determination	Major Shareholder Affidavit	Special Instructions to Bidders	1	2	3	4	5	6
1. SUMITOMO MITSUI CONST. CO., LTD.	Fidelity and Deposit Company of Maryland 15% of total Bid Amount	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. BLACK CONSTRUCTION CORPORATION	Safeco Insurance Company of America 18,311,563.00	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. CORE-HAWAIIAN DREDGING, LLC	Zurich American Insurance Company 15% of Bidder's Maximum Bid Price	step 1	Step 1	step 1	Step 1	Step 1	step 1	Step 1	Step 1	✓	✓	✓	✓	✓	✓
4. HENSEL PHELPS	Travelers Casualty and Surety Company 15% of the total Bid Price	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. NAN INC.	Zurich American Insurance Company 15% of Bidder's Maximum Bid Price	step 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

COMPANY	BID AMOUNT				
	Base Bid	Alternate Bid – A	Alternate Bid – B	Alternate Bid – C	Alternate Bid - D
1. SUMITOMO MITSUI CONST. CO., LTD.	132,079,867.00	~~133,031,620.00~~ 121,000,000.00	118,929,014.00	117,969,523.00	117,681,635.00
2. BLACK CONSTRUCTION CORPORATION	122,077,088.00	106,160,836.00	103,966,246.00	102,858,502.00	102,475,358.00
3. CORE-HAWAIIAN DREDGING, LLC	154,512,600.00	133,037,620.00	130,877,659.00	129,847,046.00	129,354,286.00
4. HENSEL PHELPS	143,600,000.00	127,812,000.00	125,362,000.00	124,552,000.00	123,705,000.00
5. NAN INC.	176,522,000.00	154,437,000.00	151,775,000.00	150,442,000.00	149,644,000.00
GWA ESTIMATE	115,015,314.00	99,935,154.00	98,096,018.00	96,463,526.00	95,589,824.00

Bids Opened and Read by:
GLORIA P. BENSAN
(Name and Signature)

Tabulated by:
CHEUK NAM YAM
(Name and Signature)

GWA Procurement Representative:
ROLAND LUMONGSUD
(Name and Signature)

Witnesses: (Name and Signature)
RODRIGO BACMODE
ALON ELAMPARO
J. HUNTER GROOMS
HONG CHENG KE

EXHIBIT C

Recommendation Letter from DCA dated June 1, 2019

DUEÑAS · CAMACHO & Associates Inc.

Website: www.dcaguam.com
Email: dca@dcaguam.com

June 1, 2019

Miguel C. Bordallo, P.E.
General Manager, Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam, 96913

Attn: Jerald Johnson, Brown & Caldwell

Ref: **Upgrade of Northern District Wastewater Treatment Plant (Clearing and Grading), GWA Project No. S17-003-OEA**

Subj: **Black Construction Corporation, Bid Proposal Review**

Hafa Adai,

Dueñas, Camacho, & Associates, Inc. (DCA) has reviewed the May 29, 2019 bid proposals submitted by the prequalified bidders for the referenced project. Black Construction Corporation's bid proposal was the apparent low bid for the base bid and all alternatives. This apparent lowest bid was compared to the other bids received and the engineer's estimate. In addition to cost, the supplier/equipment and sub-contractor lists were reviewed. Below are noteworthy items identified as part of this bid review.

1) The highest bidder, Nan Inc, is considered an outlier, and as such was not used in comparing the other qualified bids.
2) The engineers estimate provided was considered the lower end of the estimates. It is noted the engineer provided an estimate range to which the three lowest bidders were within.
3) Black Construction Corporation's bid does not appear to be an outlier or excessively low when compared the other bidders and the engineers estimate.
4) Black Construction Corporations supplier list included perceived equal equipment. These perceived equals were not evalauted at this time as clearly stated in the instruction to bidders. Perceived equals will be evaluated after award.
5) Black Construction Corporation listed the fewest sub-contractors under $500,000 when compared to all other bidders.

Based on our review, the design team has no exceptions with GWA moving forward with contracting Black Construction Corporation for this referenced project. A copy of the bid review tab for the base and alternate A bids is attached to this letter.

Regards,

Kenneth M Rekdahl, PE
Vice-President and Project Manager
Dueñas, Camacho & Associates
671-477-7991

Att:

Bid Abstract
Solicitation No. IFB-02-ENG-2019
Project: Upgrade of Northern District Wastewater Treatment Plant (NDWWTP)
Bid Opening: May 28, 2019
This tabulation of a total of 5 bidders.

GWA BUDGET $ 116,654,489.00

Item No.	Description	Nan Construction Corporation	Core Tech - Hawaiian Dredging LLC	HAN Inc	Sumitomo Mitsui Construction Co.	Hensel Phelps Construction Co	GWA Estimate	Analysis: low bid - engr est	Analysis: Average (All Bids)	Analysis: Average (Black & Sumitomo)
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ [illegible]	$ 2,111,068.00	$ 4,500,000.00	$ 3,954,096.00	$ 4,524,000.00	$ 2,848,325	$ 813,987.69	$ 3,470,295.40	$ 3,808,294.50
2	Insurance and Bonds	$ [illegible]	$ 2,982,375.00	$ 1,000,000.00	$ 3,208,279.00	$ 5,452,000.00	$ 949,442	$ 1,995,811.50	$ 2,719,531.40	$ 3,091,[illegible]
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,106.00	$ 12,282,803.00	$ 20,509,000.00	$ 8,152,727.00	$ 16,820,000.00	$ 11,411,531	$ 2,716,834.80	$ 14,406,939.30	$ 11,141,446.50
4	Extended Warranty	$ 766,606.00	$ 492,780.00	$ 765,000.00	$ 349,862.00	$ 755,000.00	$ 852,848	$ (83,143.83)	$ 641,229.40	$ 569,885.50
5	Environmental Protection and Erosion Control Measures	$ 468,484.00	$ 128,659.00	$ 253,000.00	$ 261,318.00	$ 342,000.00	$ 9,304	$ 459,584.53	$ 290,775.20	$ 365,103.50
6	Site Clearing	$ [illegible]	$ 5,786.00	$ 450,000.00	$ 71,050.00	$ 271,000.00	$ 547,495	$ (489,512.62)	$ 223,763.60	$ 94,616.00
7	Access Road, Guard Rails and Pavement	$ [illegible]	$ 2,002,608.00	$ 2,006,000.00	$ 1,314,877.00	$ 1,360,000.00	$ 23,801	$ 1,113,711.88	$ 1,582,199.60	$ 1,276,195.00
8	Perimeter Fence Line	$ 244,934.00	$ 282,559.00	$ 120,000.00	$ 245,014.00	$ 248,000.00	$ 327,171	$ (82,222.15)	$ 226,104.40	$ 244,881.50
9	Project Site Grading and Site Turf	$ 436,228.00	$ 798,260.00	$ 1,502,000.00	$ 600,828.00	$ 2,721,000.00	$ 674,568	$ (239,340.00)	$ 1,163,463.20	$ 458,[illegible]
10	Project Site Drainage Improvements	$ 521,686.00	$ 488,[illegible]	$ 2,101,000.00	$ 143,302.00	$ 1,158,000.00	$ 474,722	$ 46,[illegible]	$ 886,431.20	$ 332,494.00
11	Site yard demolition works	$ [illegible]	$ 118,980.00	$ 803,000.00	$ 200,854.00	$ 257,000.00	$ 521,361	$ (471,957.38)	$ 286,207.60	$ 125,029.00
12	Facility Demolition Works	$ [illegible]	$ 1,030,521.00	$ 427,000.00	$ 784,913.00	$ 515,000.00	$ 2,142,962	$ (1,810,156.92)	$ 637,647.80	$ 554,859.00
13	Asbestos and Lead Containing Material Handling and Abatement	$ [illegible]	$ 97,854.00	$ 12,000.00	$ 209,033.00	$ 130,000.00	$ 90,000	$ 61,829.00	$ 119,943.20	$ 180,031.00
14	Sludge Removal	$ [illegible]	$ 199,844.00	$ 3,791,000.00	$ 429,153.00	$ 623,000.00	$ 819,518	$ (324,948.31)	$ 1,147,513.40	$ 460,881.50
15	Process Yard Piping, Including Piping Between Existing and New Site	$ [illegible]	$ 11,860,810.00	$ 13,350,000.00	$ 8,084,378.00	$ 9,850,000.00	$ 7,221,936	$ 1,488,243.30	$ 10,780,873.00	$ 8,402,277.50
16	Project Site Pavement	$ [illegible]	$ 158,449.00	$ 102,000.00	$ 146,767.00	$ 154,000.00	$ 1,777,976	$ (1,180,676.92)	$ 293,095.00	$ 382,003.00
17	Site Electrical	$ [illegible]	$ 2,820,152.00	$ 3,749,000.00	$ 4,577,491.00	$ 6,852,000.00	$ 719,057	$ 1,246,322.75	$ 3,782,804.60	$ 3,271,435.50
18	Process 1: Southern Link Pump Station	$ 1,242,050.00	$ 3,406,117.00	$ 3,436,000.00	$ 3,478,972.00	$ 2,430,000.00	$ 1,632,652	$ 85,297.80	$ 2,894,247.80	$ 2,588,461.00
19	Process 1-1: Route 3 Pump Station	$ [illegible]	$ 3,005,873.00	$ 3,608,000.00	$ 2,997,387.00	$ 1,866,000.00	$ 1,120,868	$ 455,214.24	$ 2,814,511.40	$ 2,288,742.00
20	Process 2: New Headworks	$ [illegible]	$ 14,232,108.00	$ 13,277,000.00	$ 13,665,424.00	$ 12,021,000.00	$ 12,382,797	$ (2,394,279.24)	$ 12,639,410.00	$ 11,858,971.00
21	Process 3: Oxidation Ditches	$ 14,067,703.00	$ 21,756,717.00	$ 28,154,000.00	$ 18,248,828.00	$ 23,344,000.00	$ 14,756,758	$ (869,055.30)	$ 21,118,849.60	$ 16,166,285.50
22	Process 4: Secondary Clarifiers and Scum Pumping Station	$ [illegible]	$ 13,014,923.00	$ 15,348,000.00	$ 10,188,970.00	$ 15,846,000.00	$ 11,958,273	$ (775,874.63)	$ 11,963,056.20	$ 10,238,184.00
23	Process 6: UV Disinfection System	$ [illegible]	$ 6,843,571.00	$ 7,738,000.00	$ 5,770,049.00	$ 5,472,000.00	$ 6,170,396	$ (315,115.13)	$ 6,425,780.20	$ 5,787,665.00
24	Process 7: Septage Receiving Station	$ [illegible]	$ 1,030,813.00	$ 1,312,000.00	$ 1,165,121.00	$ 752,000.00	$ 1,487,220	$ (452,740.94)	$ 1,063,842.60	$ 1,099,800.00
25	Process 8: RAS/WAS Pump Station	$ 2,952,020.00	$ 3,885,484.00	$ 3,260,000.00	$ 3,333,135.00	$ 1,482,000.00	$ 2,811,605	$ 129,414.71	$ 3,063,523.80	$ 3,142,577.50
26	Process 9: Aerated Sludge Storage Facility and Pump Station	$ [illegible]	$ 3,117,853.00	$ 2,292,000.00	$ 2,778,818.00	$ 3,614,000.00	$ 1,546,679	$ 2,414,334.88	$ 2,802,771.00	$ 3,379,569.50
27	Process 10: Thickening Facility	$ [illegible]	$ 7,612,187.00	$ [illegible]	$ 5,621,161.00	$ 5,146,000.00	$ 5,287,531	$ (711,581.98)	$ 6,258,859.40	$ 5,103,555.00
28	Process 11: ATAD	$ 5,479,138.00	$ 11,333,225.00	$ 5,892,000.00	$ 12,193,413.00	$ 9,269,000.00	$ 423,129	$ 5,056,009.39	$ 8,833,355.20	$ 8,836,275.50
29	Process 12: Digester Equipment Building	$ 8,412,843.00	$ 10,001,911.00	$ 12,400,000.00	$ 5,903,384.00	$ 4,553,000.00	$ 12,526,738	$ (4,114,094.63)	$ 8,334,187.60	$ 7,358,013.50
30	Process 13: Sludge Storage Tanks	$ [illegible]	$ 2,219,237.00	$ 1,685,000.00	$ 2,151,435.00	$ 1,571,000.00	$ 1,341,855	$ 801,737.00	$ 1,944,052.80	$ 2,147,613.50
31	Process 14: Dewatering Facility	$ 3,545,205.00	$ 4,414,565.00	$ 4,062,000.00	$ 3,548,374.00	$ 2,547,000.00	$ 1,993,125	$ 1,552,078.12	$ 3,627,028.40	$ 3,545,788.50
32	Process 15: Side-Stream Pump Station	$ [illegible]	$ 1,019,200.00	$ 1,051,000.00	$ 885,907.00	$ 406,000.00	$ 1,074,893	$ (288,815.68)	$ 829,636.80	$ 835,992.00
33	Process 16: Plant Water Systems	$ 640,003.00	$ 525,489.00	$ 691,000.00	$ 628,172.00	$ 664,000.00	$ 672,491	$ (32,488.16)	$ 629,832.80	$ 634,087.50
34	Process 17: New Administration Building	$ 2,071,255.00	$ 2,159,961.00	$ 2,652,000.00	$ 2,518,960.00	$ 2,271,000.00	$ 1,692,427	$ 383,828.04	$ 2,335,[illegible]	$ 2,265,107.50
35	Process 18: Renovated/ Repurpose Lab	$ [illegible]	$ 2,188,589.00	$ 1,504,000.00	$ 2,157,301.00	$ 1,363,000.00	$ 386,235	$ 1,672,163.27	$ 1,872,[illegible]	$ 2,107,849.50
36	Process 19: Maintenance Building	$ [illegible]	$ 208,789.00	$ 267,000.00	$ 161,182.00	$ 118,000.00	$ 71,905	$ 82,938.68	$ 184,363.00	$ 188,013.00
37	Process 20 and 20-1: Standby Generator and Building	$ 2,840,160.00	$ 2,143,924.00	$ 2,836,000.00	$ 1,824,679.00	$ 2,669,000.00	$ 1,242,164	$ 1,597,985.84	$ 2,502,752.60	$ 2,332,419.50
38	Plant Startup and Training	$ 308,120.00	$ 32,747.00	$ 1,514,000.00	$ 217,182.00	$ 581,000.00	$ 2,499,599	$ (2,091,470.25)	$ 550,611.60	$ 312,655.50
39	Project Closeout	$ 351,312.00	$ 488,211.00	$ 513,000.00	$ 53,118.00	$ 581,000.00	$ 843,141	$ (591,829.32)	$ 396,932.20	$ 202,215.00
	TOTAL SUM BASIC BID PRICE (ITEMS 1 THROUGH 39, INCLUSIVE)	$ 123,027,086.00	$ 154,572,600.00	$ 176,513,000.00	$ 132,079,867.00	$ 143,800,000.00	$ 115,015,314		$ 145,768,511.00	$ 137,076,477.50

	Nan Construction Corporation	Core Tech - Hawaiian Dredging LLC	HAN Inc	Sumitomo Mitsui Construction Co.	Hensel Phelps Construction Co	GWA Estimate
Deductive A	$ 108,160,836.00	$ 133,837,620.00	$ 154,437,000.00	$ 121,000,000.00	$ 127,812,000.00	$ 99,935,154.00
Deductive B	$ 103,966,246.00	$ 130,877,659.00	$ 151,775,000.00	$ 118,929,014.00	$ 125,302,000.00	$ 98,096,018.00
Deductive C	$ 102,856,507.00	$ 129,847,046.00	$ 150,442,000.00	$ 117,969,523.00	$ 124,552,000.00	$ 96,463,526.00
Deductive D	$ 102,475,358.00	$ 129,354,288.00	$ 149,644,000.00	$ 117,681,635.00	$ 123,705,000.00	$ 95,589,824.00

TOTAL W/ ATAD (NO DEDUCTIVE B, C, D)	$ 118,391,610.00
ADDITIONAL FUNDING FOR ATAD W/O DEDUCTIVE B,C,D	$ 1,737,121.00
ADDITIONAL FUNDING FOR ATAD AND EXTENDED WARRANTY (DEDUCTIVE A&D)	$ 2,120,265.00
ADDITIONAL FUNDING FOR ATAD, SEPTAGE, EXTENDED WARRANTY (DEDUCTIVE A,C,D)	$ 3,228,009.00
ADDITIONAL FUNDING FOR COMPLETE BASE BID (DEDUCTIVE A, B,C, D)	$ 5,422,599.00

Bid Abstract
Solicitation No. IFB-02-ENG-2019
Project: Upgrade of Northern District Wastewater Treatment Plant (NDWWTP)
This tabulation of a total of 5 bidders.

GWA BUDGET $ 116,654,489.00

Item No.	Description	Plant Construction Corporation	Core Tech - Hawaiian Dredging LLC	NAN Inc.	Sumitomo Mitsui Construction Co.	Hensel Phelps Construction Co.	GWA Estimate	Analysis: low bid - engr est	Analysis: Average (All Bids)	Analysis: Average (Black & Sumitomo)
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 1,184,825.00	$ 2,111,069.00	$ 4,000,000.00	$ 3,554,096.00	$ 1,624,000.00	$ 2,848,325	$ 336,499.69	$ 3,294,797.80	$ 3,369,460.50
2	Insurance and Bonds	$ 2,692,355.00	$ 2,987,325.00	$ 1,000,000.00	$ 2,437,968.00	$ 3,135,000.00	$ 949,442	$ 1,742,983.50	$ 2,649,519.20	$ 3,065,135.50
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00	$ 12,282,803.00	$ 20,609,000.00	$ 8,736,360.00	$ 16,084,000.00	$ 10,500,749	$ 3,629,417.00	$ 14,368,457.40	$ 11,433,267.00
4	Extended Warranty	$ 357,840.00	$ 492,760.00	$ 789,000.00	$ 374,930.00	$ 766,000.00	$ 852,649	$ (494,808.93)	$ 559,906.00	$ 366,385.00
5	Environmental Protection and Erosion Control Measures	$ 468,490.00	$ 128,659.00	$ 213,900.00	$ 280,025.00	$ 162,000.00	$ 8,304	$ 119,584.53	$ 294,514.80	$ 374,457.00
6	Site Clearing	$ 117,982.00	$ 5,786.00	$ 450,000.00	$ 76,136.00	$ 474,000.00	$ 587,495	$ (488,512.62)	$ 224,780.80	$ 97,059.00
7	Access Road, Guard Rails and Pavement	$ 1,137,511.00	$ 2,002,604.00	$ 2,096,000.00	$ 1,409,007.00	$ 1,340,000.00	$ 73,801	$ 1,113,711.96	$ 1,601,025.40	$ 1,273,260.00
8	Perimeter Fence Line	$ 244,049.00	$ 262,559.00	$ 129,000.00	$ 262,554.00	$ 258,000.00	$ 327,171	$ (82,222.15)	$ 229,612.40	$ 253,751.50
9	Project Site Grading and Site Turf	$ 415,278.00	$ 798,268.00	$ 1,502,000.00	$ 536,662.00	$ 4,703,000.00	$ 674,568	$ (259,340.00)	$ 1,590,834.80	$ 475,955.00
10	Project Site Drainage Improvements	$ 521,686.00	$ 488,168.00	$ 1,101,000.00	$ 153,561.00	$ 1,186,000.00	$ 474,722	$ 46,963.63	$ 690,483.00	$ 337,623.50
11	Site yard demolition works	$ 49,404.00	$ 110,980.00	$ 803,000.00	$ 215,019.00	$ 267,000.00	$ 521,361	$ (471,957.36)	$ 289,080.60	$ 132,211.50
12	Facility Demolition Works	$ 139,805.00	$ 1,030,521.00	$ 427,000.00	$ 841,104.00	$ 613,000.00	$ 2,142,962	$ (1,810,158.97)	$ 610,286.00	$ 490,454.50
13	Asbestos and Lead Containing Material Handling and Abatement	$ 151,029.00	$ 97,684.00	$ 12,000.00	$ 223,997.00	$ 270,000.00	$ 90,000	$ 61,029.00	$ 122,936.00	$ 187,513.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,174.00	$ 13,860,810.00	$ 13,350,000.00	$ 8,663,124.00	$ 9,584,000.00	$ 7,221,936	$ 1,498,243.30	$ 10,896,627.80	$ 8,691,651.50
15	Project Site Pavement	$ 417,299.00	$ 154,469.00	$ 392,000.00	$ 157,210.00	$ 153,000.00	$ 1,777,978	$ (1,160,678.82)	$ 295,195.80	$ 387,254.50
16	Site Electrical	$ 1,965,380.00	$ 2,920,152.00	$ 3,799,000.00	$ 4,905,186.00	$ 5,652,000.00	$ 719,057	$ 1,246,322.75	$ 3,848,343.60	$ 3,435,283.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00	$ 3,488,317.00	$ 3,436,000.00	$ 3,728,026.00	$ 2,430,000.00	$ 1,832,852	$ 85,297.80	$ 2,944,058.80	$ 2,722,988.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00	$ 3,005,073.00	$ 3,609,000.00	$ 3,211,960.00	$ 1,586,000.00	$ 1,120,888	$ 455,214.20	$ 2,597,427.00	$ 2,394,031.00
19	Process 2: New Headworks	$ 9,988,518.00	$ 14,232,108.00	$ 13,277,000.00	$ 14,643,711.00	$ 12,014,000.00	$ 12,382,797	$ (2,394,279.24)	$ 12,835,067.40	$ 12,316,114.50
20	Process 3: Oxidation Ditches	$ 14,087,703.00	$ 21,756,717.00	$ 28,158,000.00	$ 19,555,233.00	$ 23,343,000.00	$ 14,756,758	$ (669,055.20)	$ 21,380,130.60	$ 16,821,468.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,281,398.00	$ 13,014,923.00	$ 15,394,000.00	$ 10,918,383.00	$ 10,930,000.00	$ 11,058,273	$ (775,874.63)	$ 12,108,940.80	$ 10,599,890.50
22	Process 6: UV Disinfection System	$ 5,855,281.00	$ 6,843,571.00	$ 7,739,000.00	$ 6,129,538.00	$ 5,072,000.00	$ 6,170,396	$ (315,115.13)	$ 6,327,878.00	$ 5,992,409.50
23	Process 7: Septage Receiving Station	$ 1,034,470.00	$ 1,030,613.00	$ 1,333,000.00	$ 1,248,530.00	$ 759,000.00	$ 1,467,230	$ (452,740.94)	$ 1,079,724.40	$ 1,141,504.50
24	Process 8: RAS/WAS Pump Station	$ 2,952,030.00	$ 3,885,464.00	$ 3,260,000.00	$ 3,571,749.00	$ 1,887,000.00	$ 2,831,605	$ 120,414.71	$ 3,111,248.60	$ 3,261,884.50
25	Process 9. Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00	$ 1,117,853.00	$ 2,241,000.00	$ 2,976,892.00	$ 1,844,000.00	$ 1,566,679	$ 2,414,304.88	$ 2,842,545.80	$ 3,478,938.00
26	Process 10: Thickening Facility	$ 4,575,949.00	$ 2,612,187.00	$ 8,379,000.00	$ 6,034,287.00	$ 5,128,000.00	$ 5,787,531	$ (711,581.96)	$ 6,339,484.60	$ 5,305,118.00
27	Process 13: Sludge Storage Tanks	$ 2,143,492.00	$ 2,219,237.00	$ 1,685,000.00	$ 2,305,453.00	$ 1,521,000.00	$ 1,341,855	$ 801,737.09	$ 1,974,856.40	$ 2,224,522.50
28	Process 14: Dewatering Facility	$ 3,545,203.00	$ 4,414,565.00	$ 4,082,000.00	$ 3,800,253.00	$ 2,547,000.00	$ 1,893,126	$ 1,552,078.12	$ 3,677,804.20	$ 3,672,728.00
29	Process 15: Side-Stream Pump Station	$ 786,077.00	$ 1,019,200.00	$ 1,041,000.00	$ 949,328.00	$ 606,000.00	$ 1,074,883	$ (288,815.68)	$ 842,321.00	$ 867,702.50
30	Process 16: Plant Water Systems	$ 640,003.00	$ 525,989.00	$ 691,000.00	$ 673,142.00	$ 664,000.00	$ 672,491	$ (32,488.16)	$ 638,826.80	$ 656,572.50
31	Process 17: New Administration Building	$ 2,073,255.00	$ 2,159,961.00	$ 2,662,000.00	$ 2,697,145.00	$ 2,271,000.00	$ 1,692,427	$ 380,828.04	$ 2,372,672.20	$ 2,385,200.00
32	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00	$ 2,188,569.00	$ 1,594,000.00	$ 2,311,739.00	$ 1,383,000.00	$ 386,335	$ 1,672,163.27	$ 1,903,141.20	$ 2,185,068.50
33	Process 19: Maintenance Building	$ 154,844.00	$ 204,789.00	$ 267,000.00	$ 172,721.00	$ 130,000.00	$ 71,965	$ 82,938.68	$ 185,870.80	$ 163,782.50
34	Process 20 and 20-1: Standby Generator and Building	$ 2,840,160.00	$ 2,143,924.00	$ 2,838,000.00	$ 1,955,305.00	$ 2,869,000.00	$ 1,242,164	$ 1,597,995.84	$ 2,529,877.80	$ 2,397,732.50
35	Plant Startup and Training	$ 408,129.00	$ 32,747.00	$ 1,514,000.00	$ 232,730.00	$ 581,000.00	$ 2,499,599	$ (2,091,470.35)	$ 553,721.20	$ 320,429.50
36	Project Closeout	$ 351,312.00	$ 486,231.00	$ 513,000.00	$ 56,921.00	$ 581,000.00	$ 843,141	$ (491,829.35)	$ 397,692.80	$ 204,116.50
	TOTAL SUM DEDUCTIVE BID A PRICE (ITEMS 1 THROUGH 36, INCLUSIVE)	$ 106,160,836.00	$ 131,037,620.00	$ 154,428,000.00	$ 121,000,011.00	$ 127,512,000.00	$ 99,835,154	$ 6,325,682.46	$ 128,487,693.40	$ 113,580,423.50

EXHIBIT D

Bid Proposal

UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT

GWA Project No. S17-003-OEA

STEP 2
PRICE PROPOSAL

Submitted to:

Mr. Miguel C. Bordallo, P.E.
General Manager
GUAM WATERWORKS AUTHORITY
GLORIA B. NELSON PUBLIC SERVICE BUILDING
688 ROUTE 15, MANGILAO, GU 96913

Submitted by:

BLACK CONSTRUCTION CORPORATION
P.O. BOX 24667, GMF, BARRIGADA, GU 96921

COPY 1 OF 1

UPGRADE OF THE NORTHERN DISTRICT WASTEWATER TREATMENT PLANT
GWA Project No.: S17-003-OEA

MR. MIGUEL C. BORDALLO, P.E.
GENERAL MANAGER
GUAM WATERWORKS AUTHORITY
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, GU 96913

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed – in whole or in part – for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of – or in connection with – the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets:

- **STEP 2 Price Proposal – all sheets**

May 29, 2019 – NLT 3:00 pm Chamorro Standard Time

Submitted by:

BLACK CONSTRUCTION CORPORATION
Harmon Industrial Park • P.O. Box 24667, GMF Barrigada GU 96921

A Tutor Perini Company

PROCUREMENT CHECKLIST

Procurement Checklist

CHECKLIST OF FORMS AND DOCUMENTS REQUIRED TO BE SUBMITTED IN CONJUNCTION WITH BIDS

A. Form or document that must be submitted with bid	Initial if Submitted:
1. Bid Bond Equal to 15% of total amount of bid	
2. Bid Proposal and Bid Schedule	
3. Non-Collusion Affidavit	
4. Certification of Bidder Regarding Equal Employment Opportunity	
5. Certification Regarding Non-Segregated Facilities	
6. Sex Offender Certification	
7. Wage and Benefit Determination	
8. Major Shareholders Disclosure Affidavit	
9. Special Instructions to Bidders	
10. Proof of Licensure (if not included in Step 1) to Perform Work Called For by the Bid	
11. Financial Statements	
12. Proof of Status as Veteran (if applies)	
13. Forms or Documents Required by Bid or Bid Amendments not referred to above	

I, Leonard K. Kaae, a duly authorized representative of Black Construction Corporation, do hereby certify, that the forms list above has in fact been submitted with my firm's bid. I acknowledge that, failure to submit any of the above documents will result in my firm being deemed non-responsive and having my firm's bid rejected.

Signed: ____________________

Date: May 24, 2019

B. **<u>Forms or documents that must be submitted after the bid but prior to entering into a Contract are as follows</u>:**

1. Proof of Insurance (complete insurance policies) per Article 6 – Bonds and Insurance

2. Performance and Payment Bond

3. Other Forms as Required by GWA

*Most forms or documents above must be submitted on forms supplied by GWA. Failure to use the correct form, or submit a form when required, could result in the vendor being deemed to be non-responsive which would require GWA to reject the bid. Failure to submit the correct forms or documents that are required after award but prior to contract are a condition precedent to GWA entering into a contract. Failing to provide the forms or documents could result in loss of award.

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BID BOND

BID BOND

Any singular reference to Bidder, Surety, Owner or other party shall be considered plural where applicable.

BIDDER *(Name and Address)*:

Black Construction Corporation
JL Baker Street, Harmon Industrial Park, Harmon, Guam 96913
P.O. Box 24667, Barrigada, Guam 96921

SURETY *(Name, and Address of Principal Place of Business)*:

Safeco Insurance Company of America
175 Berkeley Street
Boston, MA 02116

OWNER *(Name and Address)*:

Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, Guam 96913

BID

Bid Due Date: May 29, 2019

Description *(Project Name— Include Location)*:

Upgrade of Northern District Wastewater Treatment Plant (NDWWTP), Dededo, Guam
GWA Project No. S17-003-OEA

BOND

Bond Number: n/a

Date: May 29, 2019

Penal sum Eighteen Million Three Hundred Eleven Thousand Five Hundred Sixty Three & 00/100 U.S. Dollars (Words) $18,311,563.00 (Figures)

Surety and Bidder, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Bid Bond to be duly executed by an authorized officer, agent, or representative.

BIDDER	**SURETY**
Black Construction Corporation (Seal)	Safeco Insurance Company of America (Seal)
Bidder's Name and Corporate Seal	Surety's Name and Corporate Seal
By: ______ Signature	By: ______ Signature (Attach Power of Attorney)
Leonard K. Kaae	Lisa L. Thornton
Print Name	Print Name
Senior Vice President & General Manager	Attorney in Fact
Title	Title
Attest: ______ Signature	Attest: ______ Signature
Mark J. Mamczarz VP of Finance, Secretary & Treasurer	Maria Pena, Assistant Vice President
Title	Title

Resident Agent
Calvo's Insurance Underwriters, Inc.
By: RAYMOND A. MARTINEZ

Note: Addresses are to be used for giving any required notice.
Provide execution by any additional parties, such as joint venturers, if necessary.

1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond shall be Owner's sole and exclusive remedy upon default of Bidder.

2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.

3. This obligation shall be null and void if:

   3.1 Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or

   3.2 All Bids are rejected by Owner, or

   3.3 Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).

4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.

5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from the Bid due date without Surety's written consent.

6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety and in no case later than one year after the Bid due date.

7. Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.

8. Notices required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.

9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.

10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.

11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **Civil Code § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)
) ss
County of Los Angeles)

On May 29, 2019, before me, Maria Pena, Notary Public, personally appeared Lisa L. Thornton, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that ~~he/~~she~~/they~~ executed the same in ~~his/~~her~~/their~~ authorized capacity~~(ies)~~, and that by ~~his/~~her~~/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

MARIA PENA
Notary Public - California
Los Angeles County
Commission # 2238398
My Comm. Expires May 12, 2022

Signature: [signature]
Maria Pena, Notary Public

(Seal)

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No 7538474

American States Insurance Company
First National Insurance Company of America
General Insurance Company of America
Safeco Insurance Company of America

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American States Insurance Company is a corporation duly organized under the laws of the State of Indiana, that First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America are corporations duly organized under the laws of the State of New Hampshire (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, C. K. Nakamura; E. S. Albrecht, Jr.; Jeffrey Strassner; Jessica L. Rosser; Lisa L. Thornton; Maria Pena; Natalie K. Trofimoff; Noemi Quiroz; Patricia S. Arana; Tim M. Tomko

all of the city of Los Angeles, state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 7th day of November, 2016.

FIRST NATIONAL INSURANCE COMPANY OF AMERICA INCORPORATED 1928 NEW HAMPSHIRE
GENERAL INSURANCE COMPANY OF AMERICA INCORPORATED 1923 NEW HAMPSHIRE
SAFECO INSURANCE COMPANY OF AMERICA INCORPORATED 1953 NEW HAMPSHIRE
AMERICAN STATES INSURANCE COMPANY 1929

American States Insurance Company
First National Insurance Company of America
General Insurance Company of America
Safeco Insurance Company of America

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 7th day of November, 2016, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American States Insurance Company, First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.

TERESA PASTELLA COMMONWEALTH OF PENNSYLVANIA NOTARY PUBLIC

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires March 28, 2017
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, of American States Insurance Company, First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 29th day of May, 20 19.

FIRST NATIONAL INSURANCE COMPANY OF AMERICA INCORPORATED 1928 NEW HAMPSHIRE
GENERAL INSURANCE COMPANY OF AMERICA INCORPORATED 1923 NEW HAMPSHIRE
SAFECO INSURANCE COMPANY OF AMERICA INCORPORATED 1953 NEW HAMPSHIRE
AMERICAN STATES INSURANCE COMPANY INCORPORATED 1929

By: Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER

INSURANCE LICENSE

RENEWAL GA32

Know All Men By These Presents That:

Name CALVO'S INSURANCE UNDERWRITERS INC

Address 115 CHALAN SANTO PAPA STREET
HAGATNA GU 96910

Classes of Insurance Authorized } FIDELITY & SURETY
PROP. DAMAGE & LIABILITY

Having complied with the Insurance Law of Guam, is hereby authorized to transact as General Agent *, the above named Classes of Insurance in Guam from the* 01 *day of* July *, 20* 18 *, to the* 01 *day of* July *, 20*19 *, unless authority is revoked for failure to comply with the law.*

Designated Representatives:
RAYMOND A MARTINEZ

Appointed By:
SAFECO INSURANCE COMPANY OF AMERICA

[SEAL]

JOHN P. CAMACHO
Acting Banking and Insurance Commissioner

GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER

CERTIFICATE OF AUTHORITY

RENEWAL 184

Know All Men By These Presents That:

Name SAFECO INSURANCE COMPANY OF AMERICA

Address 175 BERKELEY STREET GARLOCK SUITE - MAIL STOP M09G
BOSTON MA 02116

Classes of Insurance Authorized
FIDELITY & SURETY
PROP. DAMAGE & LIABILITY

Having complied with the Insurance Law of Guam, is hereby authorized to transact as an insurer, the above named Classes of Insurance in Guam from the 01 ***day of*** July ***, 20*** 18 ***, to the*** 01 ***day of*** July ***, 20*** 19 ***, unless authority is revoked for failure to comply with the law.***

General Agent(s):

CALVO'S INSURANCE UNDERWRITERS INC
TAKAGI & ASSOCIATES INC

In Witness Whereof, I have hereunto subscribed my name officially and have hereon impressed my Seal of Office at the City of Hagatña, Guam on this 29 ***day of*** May ***A.D. 20*** 18.

JOHN P. CAMACHO
NJDES Acting Banking and Insurance Commissioner

POWER
OF ATTORNEY

KNOW ALL BY THESE PRESENTS: No. 4577

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

********************************RAYMOND A. MARTINEZ; Agana, Guam*************************************

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 29th day of May, 2019.

Dexter R. Legg

Dexter R. Legg, Secretary

TAMikolajewski

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,
(i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,
the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg , Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 29th day of May, 2019.

SAFECO INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1953 STATE OF WASHINGTON

GENERAL INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1923 STATE OF WASHINGTON

Dexter R. Legg

Dexter R. Legg, Secretary

S-0974/DS 3/09 WEB PDF

BID PROPOSAL AND BID SCHEDULE

BID FORM (ADDENDUM C)

Northern District Wastewater Treatment Plant (NDWWTP) Upgrade to Secondary Treatment

GWA Project No. S17-003-OEA

OEA Grant OCO N676-16-02

TABLE OF CONTENTS

ARTICLE 1 – BID RECIPIENT

1.01 This Bid is submitted to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, Guam 96913

1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2 – BIDDER'S ACKNOWLEDGEMENTS

2.01 Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 75 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

ARTICLE 3 – BIDDER'S REPRESENTATIONS

3.01 In submitting this Bid, Bidder represents that:

A. Bidder has examined and carefully studied the Bidding Documents, and any data and reference items identified in the Bidding Documents, and hereby acknowledges receipt of the following Addenda:

Addendum No.	Addendum Date
01	April 09, 2019
02	April 11, 2019
03	April 17, 2019
04	April 29, 2019
05	May 02, 2019
06	May 08, 2019

B. Bidder has conducted a thorough, alert visual examination of the Site, staging and adjacent areas, videos, and become familiar with and satisfied itself as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and has satisfied itself as to all Laws and Regulations that may affect cost, progress, and performance of the Work.

D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.

E. Bidder has considered the information known to Bidder itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and any Site-related reports and drawings identified in the Bidding Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder; and (3) Bidder's safety precautions and programs.

F. Bidder agrees, based on the information and observations referred to in the preceding paragraph, that no further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price bid and within the times required, and in accordance with the other terms and conditions of the Bidding Documents.

G. Bidder is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents.

H. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and confirms that the written resolution thereof by Engineer is acceptable to Bidder.

I. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance and furnishing of the Work.

J. The submission of this Bid constitutes an incontrovertible representation by Bidder that Bidder has complied with every requirement of this Article, and that without exception the Bid and all prices in the Bid are premised upon performing and furnishing the Work required by the Bidding Documents.

ARTICLE 4 – BIDDER'S CERTIFICATION

4.01 Bidder certifies that:

A. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation;

B. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid;

C. Bidder has not solicited or induced any individual or entity to refrain from bidding; and

D. Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 4.01.D:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process;

2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Owner, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;

3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish bid prices at artificial, non-competitive levels; and

4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 5 – BASIS OF BID

5.01 Bidder will complete the Work in accordance with the Contract Documents for the following price(s) as delineated per scope item. Prices include all labor, materials, services, and equipment necessary for completion of the Work for a complete and operational wastewater treatment facility at the Northern District WWTP site. All other Work not listed in the following list are considered incidental and are an obligation of the Contractor under the various Bid Items as specified in the Bid at no additional cost to Owner.

A. Bidders are informed that the bid plans are ordered by Process. Each process presented in the list below consists of but may not be limited to Mechanical, Architectural, Structural, Plumbing, Electrical, and Instrumentation disciplines. Bidders will use this ordering system when developing the Price for the bid items below that call out a specific process.

B. Owner may elect to provide a portion (approximately 200 tons) of the reinforcing steel for this project at a unit rate per ton, provided to the Contractor as a deductive change order. This unit rate will be based on Contractor's realized actual unit pricing, delivered to Guam, and supported by receipts. This rebar is currently located at the Baza Gardens WWTP Site approximately 17 miles from the NDWWTP Site. The Contractor will be responsible for transporting this rebar from Baza Gardens WWTP to the NDWWTP. If there is a cost difference between transporting from Baza Gardens WWTP and transporting from the port to the NDWWTP Site, the Contractor will be reasonably compensated at a price agreed to by both parties.

C. Bidders to include in other Bid item(s) the other costs (if any) associated with accepting such assignment and administering the assigned contract.

5.02 Base Bid:

Base Bid		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,662,313 00
2	Insurance and Bonds	$ 2,915,053.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 789,505.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00

Base Bid		
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Sludge Removal	$ 492,570.00
15	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
16	Project off-site Pavement	$ 617,299.00
17	Site Electrical	$ 1,965,380.00
18	Process 1: Southern Link Pump Station	$ 1,717,950.00
19	Process 1-1: Route 3 Pump Station	$ 1,576,102.00
20	Process 2: New Headworks	$ 9,988,518.00
21	Process 3: Oxidation Ditches	$ 14,087,703.00
22	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
23	Process 6: UV Disinfection System	$ 5,855,281.00
24	Process 7: Septage Receiving Station	$ 1,034,479.00
25	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
26	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00

Base Bid		
27	Process 10: Thickening Facility	$ 4,575,949.00
28	Process 11: ATAD	$ 5,479,138.00
29	Process 12: Digester Equipment Building	$ 8,812,643.00
30	Process 13: Sludge Storage Tanks	$ 2,143,592.00
31	Process 14: Dewatering Facility	$ 3,545,203.00
32	Process 15: Side-Stream Pump Station	$ 786,077.00
33	Process 16: Plant Water Systems	$ 640,003.00
34	Process 17: New Administration Building	$ 2,073,255.00
35	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
36	Process 19: Maintenance Building	$ 154,844.00
37	Process 20: Standby Generator and Building	$ 2,840,160.00
38	Plant Start-up and Training	$ 408,129.00
39	Project Closeout	$ 351,312.00
	Total Base Price	$ 122,077,088.00

[Total Price In words]

ONE HUNDRED TWENTY TWO MILLION, SEVENTY SEVEN THOUSAND, EIGHTY EIGHT & 00/100 U.S.DOLLARS

5.03 The following bid items describe the Deductive Alternate Items, in order of priority, for this Work. Evaluation of Bids and award of Contract will proceed as described in Article 19 of the Instructions to Bidders. In the case that any of the following deductive alternates items are executed to the Contract, the Bidder will complete the following in accordance with the Contract Documents for the following price(s):

A. Alternate Bid A, ATAD and Digester Complex: This deductive alternate item will remove the ATAD treatment process. The solids process system provided in process 9, 10, 11 and 12 will remain and provide for solids stabilization, thickening and dewatering.

i) Alternate Bid A

Alternate Bid A		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,184,825.00
2	Insurance and Bonds	$ 2,692,305.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949.00
9	Project Site Grading and Site Turf	$ 415,228.00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00

Alternate Bid A		
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 7: Septage Receiving Station	$ 1,034,479.00
24	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
25	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
26	Process 10: Thickening Facility	$ 4,575,949.00
27	Process 13: Sludge Storage Tanks	$ 2,143,592.00
28	Process 14: Dewatering Facility	$ 3,545,203.00
29	Process 15: Side-Stream Pump Station	$ 786,077.00
30	Process 16: Plant Water Systems	$ 640,003.00
31	Process 17: New Administration Building	$ 2,073,255.00
32	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
33	Process 19: Maintenance Building	$ 154,844.00
34	Process 20: Standby Generator and Building	$ 2,840,160.00
35	Plant Start-up and Training	$ 408,129.00
36	Project Closeout	$ 351,312.00

Alternate Bid A		
	Total Price	$ 106,160,836.00

[Total Price In words]

ONE HUNDRED SIX MILLION, ONE HUNDRED SIXTY THOUSAND, EIGHT HUNDRED THIRTY-SIX & 00/100 U.S. DOLLARS

B. Alternate Bid B, New Administration Building: This deductive alternate item will remove the processes noted in Alternate A and the new administration building (Process 17). The renovated and repurposed laboratory (process 18) will serve as the administrative office if this alternate bid item is executed.

i) Alternate Bid B

Alternate Bid B		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,118,987.00
2	Insurance and Bonds	$ 2,636,808.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982 00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949 00
9	Project Site Grading and Site Turf	$ 415,228 00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404 00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179 00
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380.00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid B		
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703.00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 7: Septage Receiving Station	$ 1,034,479.00
24	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
25	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
26	Process 10: Thickening Facility	$ 4,575,949.00
27	Process 13: Sludge Storage Tanks	$ 2,143,592.00
28	Process 14: Dewatering Facility	$ 3,545,203.00
29	Process 15: Side-Stream Pump Station	$ 786,077.00
30	Process 16: Plant Water Systems	$ 640,003.00
31	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
32	Process 19: Maintenance Building	$ 154,844.00
33	Process 20: Standby Generator and Building	$ 2,840,160.00
34	Plant Start-up and Training	$ 408,129.00
35	Project Closeout	$ 351,312.00
	Total Price	**$ 103,966,246.00**

(Total Price In words)

ONE HUNDRED THREE MILLION, NINE HUNDRED SIXTY SIX THOUSAND, TWO HUNDRED FORTY SIX & 00/100 U.S. DOLLARS

C. Alternate Bid C, New Septage Receiving Station: This deductive alternate item will remove the processes noted in Alternates A and B and the new septage receiving station (Process 7). The existing septage receiving station will remain in operation if this alternate is executed.

i) Alternate Bid C

Alternate Bid C		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,085,755.00
2	Insurance and Bonds	$ 2,596,775.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166.00
4	Extended Warranty	$ 357,840.00
5	Environmental Protection and Erosion Control Measures	$ 468,889.00
6	Site Clearing	$ 117,982.00
7	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
8	Perimeter Fence Line	$ 244,949 00
9	Project Site Grading and Site Turf	$ 415,228 00
10	Project Site Drainage Improvements	$ 521,686.00
11	Site yard piping demolition works	$ 49,404.00
12	Facility Demolition Works	$ 332,805.00
13	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
14	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179 00
15	Project Off-site Pavement	$ 617,299.00
16	Site Electrical	$ 1,965,380 00
17	Process 1: Southern Link Pump Station	$ 1,717,950.00
18	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid C		
19	Process 2: New Headworks	$ 9,988,518.00
20	Process 3: Oxidation Ditches	$ 14,087,703 00
21	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
22	Process 6: UV Disinfection System	$ 5,855,281.00
23	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
24	Process 9: Aerated Sludge Storage Facility and Pump Station	$ 3,980,984.00
25	Process 10: Thickening Facility	$ 4,575,949.00
26	Process 13: Sludge Storage Tanks	$ 2,143,592.00
27	Process 14: Dewatering Facility	$ 3,545,203.00
28	Process 15: Side-Stream Pump Station	$ 786,077.00
29	Process 16: Plant Water Systems	$ 640,003.00
30	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
31	Process 19: Maintenance Building	$ 154,844.00
32	Process 20: Standby Generator and Building	$ 2,840,160.00
33	Plant Start-up and Training	$ 408,129.00
34	Project Closeout	$ 351,312.00
	Total Price	$ 102,858,502.00

[Total Price In words]

ONE HUNDRED TWO MILLION, EIGHT HUNDRED FIFTY EIGHT THOUSAND, FIVE HUNDRED TWO & 00/100 U.S. DOLLARS

D. Alternate Bid D, Extended Warranty: This deductive alternate item will remove the processes noted in Alternates A, B, and C and the extended warranties from the equipment listed in specification 017820 – Extended Equipment Warranties. Warranties presented in each individual specification will still be required if this alternate is executed.

i) Alternate Bid D

Alternate Bid D		
Scope Item	Description	Price
1	Mobilization, Not to Exceed 3% of Total Basic Price	$ 3,074,261.00
2	Insurance and Bonds	$ 2,582,965.00
3	Project Management, Temporary Facilities and Site Layout	$ 14,130,166 00
4	Environmental Protection and Erosion Control Measures	$ 468,889.00
5	Site Clearing	$ 117,982.00
6	Access Road, Guard Rails and Site Pavement	$ 1,137,513.00
7	Perimeter Fence Line	$ 244,949.00
8	Project Site Grading and Site Turf	$ 415,228.00
9	Project Site Drainage Improvements	$ 521,686.00
10	Site yard piping demolition works	$ 49,404.00
11	Facility Demolition Works	$ 332,805.00
12	Asbestos and Lead containing Material Handling and Abatement	$ 151,029.00
13	Process Yard Piping, Including Piping Between Existing and New Site	$ 8,720,179.00
14	Project Off-site Pavement	$ 617,299 00
15	Site Electrical	$ 1,965,380.00
16	Process 1: Southern Link Pump Station	$ 1,717,950.00
17	Process 1-1: Route 3 Pump Station	$ 1,576,102.00

Alternate Bid D		
18	Process 2: New Headworks	$ 9,988,518.00
19	Process 3: Oxidation Ditches	$ 14,087,703.00
20	Process 4: Secondary Clarifiers and Scum Pumping Station	$ 10,283,398.00
21	Process 6: UV Disinfection System	$ 5,855,281.00
22	Process 8: RAS/WAS Pump Station	$ 2,952,020.00
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28	Process 16: Plant Water Systems	$ 640,003.00
29	Process 18: Renovated/ Repurpose Lab	$ 2,058,398.00
30	Process 19: Maintenance Building	$ 154,844.00
31	Process 20: Standby Generator and Building	$ 2,840,160.00
32	Plant Start-up and Training	$ 408,129.00
33	Project Closeout	$ 351,312.00
	Total Price	$ **102,475,358.00**

[Total Price In words]

ONE HUNDRED TWO MILLION, FOUR HUNDRED SEVENTY FIVE THOUSAND, THREE HUNDRED FIFTY EIGHT & 00/100 U.S. DOLLARS

BCC

ARTICLE 6 – TIME OF COMPLETION

6.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

6.02 Bidder accepts the provisions of the Agreement as to liquidated damages.

ARTICLE 7 – ATTACHMENTS TO THIS BID

7.01 The following information must be submitted as part of this Bid Form.

A. List of Proposed Subcontractors whose subcontract amount exceeds $500,000;

1. Hawaiian Rock Products
2.
3.
4.
5.

B. List of manufacturers for the following major equipment:

Specification Number	Equipment	Manufacture Name
442223	Centrifuges	ALFA LAVAL, INC.
443119	Biotrickling Filter Odor Control System	Odortool
444213.13	Jet Mix Aeration System and Appurtenances	ROTAMIX
444256.09	Non-Clog Centrifugal Pumps	SULZER
444256.13	Progressing Cavity Sludge Pumps	SEEPEX
444257.11	Non-Clog Dry-Pit Centrifugal Pumps	FLOWSERVE
444626.02	Gravity Belt Thickener	ANDRITZ
462133	Rotary Drum Screens	LAKESIDE EQUIPMENT
462183	Septage Receiving Equipment	LAKESIDE EQUIPMENT
462323	Vortex Grit Removal System	HYDRO INTERNATIONAL
464321	Secondary Clarifier	Westech Engineering Inc.
465361	Oxidation Ditches	Westech Engineering Inc.
466656	Ultraviolet (UV) Disinfection System	XYLEM WEDECO
467324	Autothermal Thermophilic Aerobic Digestion System	Thermal Process Systems

ARTICLE 8 – DEFINED TERMS

8.01 The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 9 – BID SUBMITTAL

BIDDER: *[Indicate correct name of bidding entity]*

Black Construction Corporation

By: *[Signature]*

[Printed name] Leonard K. Kaae, Senior Vice President & General Manager

(If Bidder is a corporation, a limited liability company, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: *[Signature]*

[Printed name] Mark J. Mamczarz

Title: Vice President of Finance, Secretary & Treasurer

Submittal Date: May 29, 2019

Address for giving notices:

Black Construction Corporation

Physical Address: JL Baker St. Harmon Industrial Park, Harmon, Guam 96913

Mailing Address: P.O. Box 24667, Barrigada, Guam 96921

Telephone Number: (671) 646-4861

Fax Number: (671) 646-9086

Contact Name and e-mail address: Leonard K. Kaae

leonardk@blackguam.com

Bidder's License No.: C-0418-0038
(where applicable)

APPENDIX B

FORM OF NON-COLLUSION AFFIDAVIT

AFFIDAVIT

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM, M.I.)

Leonard K. Kaae being first duly sworn, deposes and says:

That he is officer of the firm the (a partner or officer of the firm of, etc.) party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or of any other bidder, or to fix any overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the Guam Waterworks Authority or any person interested in the proposed Contract; and that all statements in said proposal or bid are true.

Signature of
Bidder, if the bidder is an individual;
Partner, if the bidder is a partnership;
Officer, if the bidder is a corporation

Subscribed and sworn to before me this 4th day of May, 2019

Angel T. Massey NOTARY PUBLIC

My commission expires Aug. 2, 2022.

ANGELA T. MASSEY
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: AUG. 02, 2022
P.O. Box 24667 Barrigada, Guam 96921

EQUAL EMPLOYMENT
OPPORTUNITY

APPENDIX G

CERTIFICATION OF BIDDER REGARDING EQUAL EMPLOYMENT OPPORTUNITY

GENERAL

In accordance with Executive Order 11246 (30 F.R. 12319-25), the implementing rules and regulations thereof, and orders of the Secretary of Labor, a Certification regarding Equal Opportunity is required of bidders or prospective Contractors and their proposed sub-contractors prior to the award of Contract or sub-contracts.

CERTIFICATION OF BIDDER

Bidder's Name: Black Construction Corporation

Address: Physical Address: JL Baker St. Harmon Industrial Park Harmon Guam 96913
Mailing Address: P.O. Box 24667 Barrigada, Guam 96921

Internal Revenue Service Employer Identification No.: 660454616

1. Participation in a previous Contract or sub-contract.

   a. Bidder has participated in a previous Contract or sub-contract subject to the Equal Opportunity *clause [X] Yes [ ] No*

   b. Compliance reports were required to be filled in connection with such Contract or sub-contract .... [X] Yes [ ] No

   c. Bidder has filed all compliance reports required by Executive Orders 10925, 11114, 11246 or by regulations of the Equal Employment Opportunity Commission issued pursuant to Title VII or the Civil Rights Act of 1964 .... [X] Yes [ ] No

   d. If answer to item c is "NO", please explain in detail on reverse side of this certification.

2. Dollar Amount of Bid: $ 122,077,088.00.

3. Anticipated performance period 906 days.

4. Expected total number of employees who will perform the proposed construction:

5. Non-segregated Facilities

a. Notice to Prospective Contractor.

(1) A Certification of Non-segregated Facilities, as required by the May 9, 1967, order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted to the recipient prior to the award of a Contract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause.

(2) Contractors receiving Contract awards exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of the following notice to prospective sub-contractors for supplies and construction Contracts where the sub-contracts exceed $10,000 and are not exempt from the provisions of the Equal Opportunity Clause.

b. Notice to Prospective sub-contractors of Requirements for Certification of Non-segregated Facilities.

(1) A Certification of Non-segregated Facilities, as required by the May 9, 1967, order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a sub-contract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause.

(2) Contractors receiving sub-contract awards exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause will be required to provide for the forwarding of this notice to prospective sub-contractors for supplies and construction Contracts, where the sub-contractors exceed $10,000 and are not exempt from the provisions of the Equal Opportunity Clause.

c. Certification of Non-segregated Facilities.

The Contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, or housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin because of habit, local custom, or otherwise. The Contractor agrees that (except where he has obtained identical certifications from proposed sub-contractors for specific time periods) he will obtain identical certifications in duplicate from proposed sub-contractors prior to the award of sub-contracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that he will retain the duplicate of such certifications in his files. The Contractor will include the original in his Bid Package.

6. Race of ethnic group designation of bidder. Enter race or ethnic group in the appropriate box:

[ ] African American   [ ] Spanish American   [ ] Oriental
[ ] Aleut   [ ] American Indian   [ ] Eskimo
[X] White (other than Spanish American)
[ ] Pacific Islander

REMARKS:
Certification: the information above is true and complete to the best of my knowledge and belief.

Name and Title of Signer:

Leonard K. Kaae

(Please Type)

(Signature)

May 24, 2019

(Date)

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

CERTIFICATION REGARDING
NON-SEGREGATED FACILITIES

APPENDIX H

CERTIFICATION OF BIDDER REGARDING NONSEGREGATED FACILITIES

(Applicable to Contracts and related sub-contracts $10,000 which are not exempt from the Equal Opportunity Clause.)

The Contractor certifies that he does not maintain or provide for his employees any segregated facilities in any of his establishment, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where he has obtained identical certifications from proposed sub-contractors for specific time periods) he will obtain identical certifications exceeding $10,000 which are not exempt from the provision of the Equal Opportunity Clause, and that he will retain such certifications in his files.

NAME AND TITLE OF SIGNER:

Leonard K. Kaae
Senior Vice President & General Manager

(Please Type)

(Signature)

May 24, 2019

(Date)

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

SEX OFFENDER CERTIFICATION

APPENDIX I

CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS

Pursuant to Guam Public Law 28-24, as amended by Guam Public Law 28-98, if a Contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of the Guam Code Annotated or of an offense defined in Article 2 of Chapter 28 of Title 9 of the Guam Code Annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on government of Guam property, with the exception of public highways. If any employee of a service provider is providing services on government property and is convicted subsequent to an award of a Contract, then the service provider warrants that it will notify the Government of the conviction within twenty-four hours of the conviction, and will immediately remove such convicted person from providing services on government property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the Government will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four hours of notice from the Government, and the service provider shall notify the Government when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from the Government, then the Government in its sole discretion may suspend temporarily any Contract for services until corrective action

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I Leonard K. Kaae being a duly authorized representative acknowledge the
(print name)

directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

Black Construction Corporation
(Company Name)

Senior Vice President & General Manager
(Title)

(Signature) May 24, 2019
(Date)

WAGE AND BENEFIT DETERMINATION

APPENDIX D

WAGE AND BENEFIT DETERMINATION

Bid No.: IFB-02-ENG-2019 Name of Offeror: Black Construction Corporation

I, Leonard K. Kaae hereby **certify under penalty of perjury as follows:**

(1) That I am an officer of the offeror [*please select one: the offeror, a partner of the offeror, an officer of the offeror*] making the bid or proposal in the foregoing identified procurement;

(2) That I have read and understand the provisions of 5 GCA § 5801 and § 5802 below and that I will ensure that I and my sub-contractors will comply with said provisions which read as follows:

§ 5801. Wage Determination Established.

In such cases where the government of Guam enters into Contractual arrangements with a sole proprietorship, a partnership or a corporation ("Contractor") for the provision of a service to the government of Guam, and in such cases where the Contractor employs a person(s) whose purpose, in whole or in part, is the direct delivery of service Contracted by the government of Guam, then the Contractor shall pay such employee(s) in accordance with the Wage Determination for Guam and the Northern Mariana Islands issued and promulgated by the U.S. Department of Labor for such labor as is employed in the direct delivery of Contract deliverables to the government of Guam.

The Wage Determination most recently issued by the U.S. Department of Labor at the time a Contract is awarded to a Contractor by the government of Guam shall be used to determine wages, which shall be paid to employees pursuant to this Article. Should any Contract contain a renewal clause, then at the time of renewal adjustments, there shall be made stipulations contained in that Contract for applying the Wage Determination, as required by this Article, so that the Wage Determination promulgated by the U.S. Department of Labor on a date most recent to the renewal date shall apply.

§ 5802. Benefits

In addition to the Wage Determination detailed in this Article, any Contract to which this Article applies shall also contain provisions mandating health and similar benefits for employees covered by this Article, such benefits having a minimum value as detailed in the Wage Determination issued and promulgated by the U.S. Department of Labor, and shall contain provisions guaranteeing a minimum of ten (10) paid holidays per annum per employee.

(3) That the offeror and its sub-contractors are now, or will be prior to beginning performance and throughout the Contract term, in full compliance with 5 GCA § 5801 and § 5802.

(4) That I have attached the most recent wage and benefit determinations applicable to Guam issued by the U.S. Department of Labor and that I will ensure all of my employees and the employees of my sub-contractors will be provided a minimum of ten (10) paid holidays per annum.

Signature Date: May 24, 2019

General Decision Number: GU190006 03/15/2019 GU6

State: Guam

Construction Type: Building
Building Construction (Applies only to projects funded under the National Defense Authorization Act of 2010 - Guam Realignment Fund - Defense Policy Review Initiative) BUILDING CONSTRUCTION PROJECTS (does not include single family homes or apartments up to and including 4 stories)

County: Guam Statewide.

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.60 for calendar year 2019 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate,if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	03/08/2019
1	03/15/2019

SUGU2018-001 01/07/2019

	Rates	Fringes
CARPENTER (Drywall Hanging Only)	$ 15.00	0.00
CARPENTER (Form Work Only)	$ 15.27	0.00
CARPENTER, Excludes Drywall Hanging, and Form Work	$ 16.11	1.17
CEMENT MASON/CONCRETE FINISHER	$ 14.42	0.00

ELECTRICIAN	$ 16.59	1.00
IRONWORKER, REINFORCING	$ 14.84	0.00
LABORER: Common or General	$ 9.64	0.00
OPERATOR: Backhoe/Excavator/Trackhoe	$ 16.49	0.00
PAINTER (Brush and Roller)	$ 14.56	0.43
PIPEFITTER	$ 19.28	0.98
PLUMBER	$ 14.63	0.00
SHEET METAL WORKER (HVAC Duct Installation Only)	$ 17.09	0.54
TRUCK DRIVER: Dump Truck	$ 14.50	0.00

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor

200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

General Decision Number: GU190007 03/15/2019 GU7

State: Guam

Construction Type: Heavy
Heavy Construction (Applies only to projects funded under the National Defense Authorization Act of 2010 - Guam Realignment Fund - Defense Policy Review Initiative)

County: Guam Statewide.

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.60 for calendar year 2019 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.60 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2019. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate,if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	03/08/2019
1	03/15/2019

SUGU2018-002 01/07/2019

	Rates	Fringes
CARPENTER (Form Work Only).......$	15.00	0.00
CARPENTER, Excludes Form Work....$	14.87	0.00
CEMENT MASON/CONCRETE FINISHER...$	15.55	0.00
IRONWORKER, REINFORCING..........$	16.59	0.00
LABORER: Common or General......$	13.45	0.00

OPERATOR:

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Backhoe/Excavator/Trackhoe.......$ 19.77            0.00

PLUMBER..........................$ 16.31            0.00
----------------------------------------------------------------

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than "SU" or "UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter

* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==

END OF GENERAL DECISION

MAJOR SHAREHOLDERS DISCLOSURE AFFIDAVIT

APPENDIX C

MAJOR SHAREHOLDER DISCLOSURE AFFIDAVIT

TERRITORY OF GUAM }
}
HAGATNA, GUAM }

I, the undersigned Leonard K. Kaae, being first duly sworn, depose and says:

1. That the persons who have held more than ten percent (10%) of the company's share during the past twelve months preceding the submission of the bid are as follows **(if none, so state):**

NAME	**ADDRESS**	**PERCENTAGE OF SHARES HOLD**
Ronald N. Tutor	1590 Olden St. Sylmar CA 91342	49%

TOTAL NUMBER OF SHARES 49%

2. Persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for which this affidavit is submitted are as follows:

NAME	**ADDRESS**	**AMOUNT OF COMMISSIONS, GRATUITY OR OTHER COMPENSATION**
none		

Further, affiant sayeth naught.

Date: May 4, 2019

Leonard K Kaae
Signature of individual if bidder is a sole proprietorship; partner, if the bidder is a partnership; officer, if the bidder is a corporation (or other authorized person)

Subscribed and sworn to before me this 4th day of May, 2019.

...ry Public In and for the Territory of Guam Angel J. Massey

My commission expires: August 2, 2022

ANGELA T. MASSEY
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: AUG. 02, 2022
P.O. Box 24667 Barrigada, Guam 96921

SPECIAL INSTRUCTION TO BIDDERS

APPENDIX J

SPECIAL INSTRUCTIONS TO BIDDERS – ESTIMATED QUANTITIES

For use only in indefinite quantity Contracts or where there has been an estimated amount included in GWA's bid specifications that is to be used to determine the bid price

Bidders are hereby served notice that the following Directives or information described below must be taken into account when preparing the Bid Proposal. The Bidder shall acknowledge the directives by signing and submitting this section with their Bid Proposal.

Directive #1

The bidder is cautioned to note that while the quantities specified in the Bid Schedule are based upon the best information available to GWA, the quantities for the items listed in the Bid Schedule may or may not be completely accurate. Thus, GWA makes no assurances or warranty to any bidder that the quantities listed are 100% accurate.

I, Leonard K. Kaae being an Authorized Representative acknowledge the directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

Black Construction Corporation

(Company Name)

(Signature)

May 24, 2019

(Date)

PROOF OF LICENSURE

2019

CONTRACTOR'S LICENSE

EDDIE BAZA CALVO
Governor of Guam

RAY TENORIO
Lt. Governor of Guam

Pursuant to the provisions of Chapter VII Title XI of the Government of Guam and the Rules and Regulations of the Contractors License Board, the Executive Director of Contractors hereby issues this license to:

Black Construction Corporation

To engage in the business or act in the capacity of a contractor in the following classifications

A,B,C4,C13,C20,C37,C40,C43,C44,C51 & C56

This license is the property of the Executive Director of Contractors, not transferable, and shall be returned to the Executive Director upon demand when suspended, revoked, or invalidated for any reason. It becomes void if not renewed on or before the expiration date.

Signature of RME
RME #

Signature of LICENSEE
License # 1165

GRT # 891461
Issued: April 6, 2018

Certificate # C-0418-0038
Expires: June 30 2019

Arelia Z. Custodio
for: MARIAN CHRISTIAN
BOARD CHAIRWOMAN

EDUARDO R. ORDONEZ
EXECUTIVE DIRECTOR

FINANCIAL STATEMENTS

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Consolidating Information for Tutor Perini's General Contractor Subsidiaries as of and for the Year Ended December 31, 2017, and Report of Independent Registered Public Accounting Firm

TUTOR PERINI CORPORATION AND SUBSIDIARIES

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche LLP
555 West 5th Street
Suite 2700
Los Angeles, CA 90013-1010
USA

Tel: +1 213 688 0800
Fax: +1 213 688 0100
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Tutor Perini Corporation
Sylmar, California

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2017, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and the results of its operations and its cash flows for the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Report on Supplemental Consolidating Information

The supplemental consolidating information on pages 34-37 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 27, 2018
(March 30, 2018 as to the supplemental consolidating information)

We have served as the Company's auditor since 2002.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands, except per common share data)

REVENUE	$	4,757,208
COST OF OPERATIONS		(4,302,803)
GROSS PROFIT		454,405
General and administrative expenses		(274,928)
INCOME FROM CONSTRUCTION OPERATIONS		179,477
Other income, net		43,882
Interest expense		(69,384)
INCOME BEFORE INCOME TAXES		153,975
Income tax benefit		569
NET INCOME	$	154,544
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS		(6,162)
NET INCOME ATTRIBUTABLE TO TUTOR PERINI CORPORATION		148,382
BASIC EARNINGS PER COMMON SHARE	$	2.99
DILUTED EARNINGS PER COMMON SHARE	$	2.92
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:		
BASIC		49,647
DILUTED		50,759

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

NET INCOME	$	154,544
OTHER COMPREHENSIVE INCOME, NET OF TAX:		
Defined benefit pension plan adjustments		1,424
Foreign currency translation adjustments		1,273
Unrealized loss in fair value of investments		(2)
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX		2,695
COMPREHENSIVE INCOME		157,239
LESS: COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS		(6,162)
COMPREHENSIVE INCOME ATTRIBUTABLE TO TUTOR PERINI CORPORATION	$	151,077

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2017
(in thousands, except share data)

ASSETS		
CURRENT ASSETS:		
Cash, including cash equivalents of $1,481 ($53,067 related to VIEs)	$	192,868
Restricted cash		4,780
Restricted investments		53,014
Accounts receivable, including retainage of $535,939 (AR of $42,413 related to VIEs)		1,801,656
Costs and estimated earnings in excess of billings		932,758
Other current assets		89,316
Total current assets		3,074,392
PROPERTY AND EQUIPMENT:		
Land		41,382
Building and improvements		125,029
Construction equipment		477,988
Other equipment		182,288
		826,687
Less accumulated depreciation		(359,188)
Total property and equipment, net ($11,641 related to VIEs)		467,499
GOODWILL		585,006
INTANGIBLE ASSETS, NET		89,454
OTHER ASSETS		47,772
TOTAL ASSETS	$	4,264,123
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$	30,748
Accounts payable, including retainage of $261,820 (AP of $19,243 related to VIEs)		961,791
Billings in excess of costs and estimated earnings ($120,952 related to VIEs)		456,869
Accrued expenses and other current liabilities		132,438
Total current liabilities		1,581,846
LONG-TERM DEBT, less current maturities, net of unamortized discounts and debt issuance costs totaling $45,631		705,528
DEFERRED TAX LIABILITIES		108,504
OTHER LONG-TERM LIABILITIES		163,465
TOTAL LIABILITIES		2,559,343
EQUITY		
Stockholders' equity:		
Preferred stock – authorized 1,000,000 shares ($1 par value), none issued		—
Common stock – authorized 75,000,000 shares ($1 par value), issued and outstanding 49,781,010 shares		49,781
Additional paid-in capital		1,084,205
Retained earnings		622,007
Accumulated other comprehensive loss		(42,718)
Total stockholders' equity		1,713,275
Noncontrolling interests		(8,495)
TOTAL EQUITY		1,704,780
TOTAL LIABILITIES AND EQUITY	$	4,264,123

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

Cash Flows from Operating Activities:	
Net income	$ 154,544
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	48,387
Amortization of intangible assets	3,543
Share-based compensation expense	21,174
Change in debt discounts and deferred debt issuance costs	17,595
Deferred income taxes	(23,096)
Loss on sale of property and equipment	1,131
Changes in other components of working capital	(60,214)
Other long-term liabilities	3,656
Other, net	(3,170)
NET CASH PROVIDED BY OPERATING ACTIVITIES	163,550
Cash Flows from Investing Activities:	
Acquisition of property and equipment	(30,280)
Proceeds from sale of property and equipment	2,744
Investments in securities, restricted	(54,504)
Investments in securities	(6,463)
Proceeds from maturities of investments in securities	1,370
Change in restricted cash	45,724
NET CASH USED IN INVESTING ACTIVITIES	(41,409)
Cash Flows from Financing Activities:	
Proceeds from debt	2,161,384
Repayment of debt	(2,195,068)
Debt issuance and extinguishment costs	(15,266)
Cash payments related to share-based compensation	(11,769)
Distributions paid to noncontrolling interests	(17,499)
Contributions from noncontrolling interests	2,842
NET CASH USED IN FINANCING ACTIVITIES	(75,376)
Net increase in cash and cash equivalents	46,765
Cash and cash equivalents at beginning of year	146,103
Cash and cash equivalents at end of year	$ 192,868

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance - December 31, 2016	$ 49,211	$ 1,075,600	$ 473,625	$ (45,413)	$ —	$ 1,553,023
Net income	—	—	148,382	—	6,162	154,544
Other comprehensive income	—	—	—	2,695	—	2,695
Share-based compensation expense	—	20,877	—	—	—	20,877
Issuance of common stock, net	570	(12,272)	—	—	—	(11,702)
Contributions from noncontrolling interests	—	—	—	—	2,842	2,842
Distributions to noncontrolling interests	—	—	—	—	(17,499)	(17,499)
Balance - December 31, 2017	$ 49,781	$ 1,084,205	$ 622,007	$ (42,718)	$ (8,495)	$ 1,704,780

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the year ended December 31, 2017

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company occasionally forms joint ventures with unrelated third parties for the execution of single contracts or projects. The Company assesses its joint ventures at inception to determine if they meet the qualifications of a variable interest entity ("VIE") in accordance with ASC 810, *Consolidation* ("ASC 810"). If a joint venture is a VIE and the Company is the primary beneficiary, the joint venture is fully consolidated (See Note 11 below). For construction joint ventures that do not need to be consolidated, the Company accounts for its interest in the joint ventures using the proportionate consolidation method, whereby the Company's proportionate share of the joint ventures' assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the Company's consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements; therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies as current construction-related assets and liabilities that may be settled beyond one year from the balance sheet date, consistent with the length of time of the Company's project operating cycle. Included in these balances are the following: costs and estimated earnings in excess of billings, which represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date; billings in excess of costs and estimated earnings, which represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date; and contract retainage receivables and payables, which represent amounts invoiced to customers and amounts invoiced to the Company by subcontractors where payments have been withheld pending the completion of certain milestones, other contractual conditions or upon the completion of the project.

Costs and estimated earnings in excess of billings result when either: 1) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract, or 2) costs are incurred related to certain claims and unapproved change orders. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when a change in the scope of work results in additional work being performed before the parties have agreed on the corresponding change in the contract price. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35, *Construction-Type and Production-Type Contracts*, when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

Costs and estimated earnings in excess of billings as of December 31, 2017 consisted of the following (in thousands):

Claims	$	549,849
Unapproved change orders		296,591
Other unbilled costs and profits		86,318
Total costs and estimated earnings in excess of billings	$	932,758

Claims and unapproved change orders are billable upon the resolution of any disputed or open items between the contractual parties and the execution of contractual amendments. Increases in claims and unapproved change orders typically result from costs being incurred against existing or new positions where recovery is concluded to be both probable and reliably estimable; decreases normally result from resolutions and subsequent billings. For both claims and unapproved change orders, the Company recognizes revenue, but not profit. Other unbilled costs and profits are billable in accordance with the billing terms of each of the existing contractual arrangements and, as such, the timing of contract billing cycles can cause fluctuations in the balance of unbilled costs and profits. Ultimate resolution of other unbilled costs and profits typically involves the passage of time and, often, incremental progress toward contractual requirements or milestones. The amount of costs and estimated earnings in excess of billings as of December 31, 2017 estimated by management to be collected beyond one year is approximately $443.7 million.

Retainage agreements vary from project to project and balances could be outstanding for several months or years depending on a number of circumstances, such as contract-specific terms, project performance and other variables that may arise as the Company makes progress towards completion. Generally, retainage payables are not remitted to the Company's subcontractors until the associated retainage receivables from the customer are collected. As of December 31, 2017, the amount of retainage receivables and payables estimated by management to be collected or remitted beyond one year is approximately 30% and 19% of the balances, respectively.

(e) Changes in Estimates on Construction Contracts

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims, as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management evaluates changes in estimates on a contract by contract basis and discloses significant changes, if material, in the notes to the consolidated financial statements. The cumulative catch-up method is used to account for revisions in estimates.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year, and between annual tests if events occur or circumstances change which suggest that goodwill should be reevaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. The Civil, Building and Specialty Contractors segments each represent a reporting unit. The Company performs its annual quantitative impairment assessment during the fourth quarter of each year using a weighted-average of an income and a market approach. The income approach is based on estimated present value of future cash flows for each reporting unit. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2017 resulted in an estimated fair value for each of the Company's reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for the year.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if events occur or circumstances change which suggest that the non-amortizable trade names should be reevaluated. The Company performs its annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2017 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for the year.

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(k) Earnings Per Common Share

Basic EPS and diluted EPS are calculated by dividing net income attributable to Tutor Perini Corporation by the following: for basic EPS, the weighted-average number of common shares outstanding during the period; and for diluted EPS, the sum of the weighted-average number of both outstanding common shares and potentially dilutive securities, which for the Company can include restricted stock units, unexercised stock options and the Convertible Notes, as defined in Note 5. The Company calculates the effect of these potentially dilutive securities using the treasury stock method. The calculations of the basic and diluted EPS for the year ended December 31, 2017 are presented below (in thousands, except per share data):

Net income attributable to Tutor Perini Corporation	$ 148,382
Weighted-average common shares outstanding, basic	49,647
Effect of dilutive stock options and unvested restricted stock	1,112
Weighted-average common shares outstanding, diluted	50,759
Net income attributable to Tutor Perini Corporation per common share:	
Basic	$ 2.99
Diluted	$ 2.92
Anti-dilutive securities not included above	798

With regard to diluted EPS and the impact of the Convertible Notes on the diluted EPS calculation, because the Company has the intent and ability to settle the principal amount of the Convertible Notes in cash, per ASC 260, *Earnings Per Share*, the settlement of the principal amount has no impact on diluted EPS.

(l) Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheet, consist of amounts available for the Company's general purposes, as well as the Company's proportionate share of cash held by the Company's unconsolidated joint ventures and also amounts held by the Company's consolidated joint ventures. In both cases, cash held by joint ventures is available only for joint venture-related uses, including future distributions to joint venture partners.

Total cash and cash equivalents as of December 31, 2017 consisted of the following (in thousands):

Cash and cash equivalents	$	94,713
Joint venture cash and cash equivalents		98,155
Total cash and cash equivalents	$	192,868

(m) Restricted Cash and Restricted Investments

The Company has restricted cash and restricted investments primarily held as collateral to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit. Restricted investments are comprised of various corporate bonds and bank notes that are rated A3 or better and have maturities within the Company's operating cycle. These restricted investments are held-to-maturity securities carried at amortized cost.

(n) Share-Based Compensation

The Company's long-term incentive plans allow the Company to grant share-based compensation awards in a variety of forms, including restricted and unrestricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period. Unrestricted stock units vest immediately and are generally issued to the directors as part of their annual retainer fees, in which case they are expensed over a 12-month service period.

For share-based awards that have a service requirement, the Company accounts for forfeitures upon occurrence, rather than estimating the probability of forfeiture at the date of grant. Accordingly, the Company recognizes the full grant-date fair value of these awards on a straight-line basis throughout the requisite service period, reversing any expense if, and only if, there is a forfeiture.

For share-based awards that have a performance-based vesting requirement, the Company evaluates the probability of achieving the performance criterion throughout the performance period, and will adjust share-based compensation expense if it estimates that the achievement of the performance criterion, the achievement of which is ultimately determined by the Compensation Committee, is not probable.

(o) Insurance Liabilities

The Company typically utilizes third-party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(p) Other Comprehensive Income

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plan assets/liabilities, cumulative foreign currency translation, change in fair value of investments and change in fair value of an interest rate swap as components of accumulated other comprehensive loss ("AOCI").

The tax effects of the components of other comprehensive income for the year ended December 31, 2017 were as follows (in thousands):

	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Other comprehensive income (loss):			
Defined benefit pension plan adjustments	$ 2,416	$ (992)	$ 1,424
Foreign currency translation adjustment	2,159	(886)	1,273
Unrealized loss in fair value of investments	(4)	2	(2)
Total other comprehensive income	$ 4,571	$ (1,876)	$ 2,695
Total other comprehensive income attributable to Tutor Perini Corporation	$ 4,571	$ (1,876)	$ 2,695

The changes in AOCI balances by component (after tax) for the year ended December 31, 2017 were as follows (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain in Fair Value of Investments	Accumulated Other Comprehensive Loss
Attributable to Tutor Perini Corporation:				
Balance as of December 31, 2016	$ (40,865)	$ (4,864)	$ 316	$ (45,413)
Other comprehensive income (loss) before reclassifications	306	1,273	(2)	1,577
Amounts reclassified from AOCI	1,118	—	—	1,118
Balance as of December 31, 2017	$ (39,441)	$ (3,591)	$ 314	$ (42,718)

The significant items reclassified out of AOCI for the year ended December 31, 2017 and the corresponding location and impact on the Consolidated Statement of Income were as follows (in thousands):

Component of AOCI:	Location in Consolidated Statement of Income	
Defined benefit pension plan adjustments	Various accounts[a]	$ 1,897
Income tax benefit	Income tax benefit (provision)	(779)
Net of tax		$ 1,118

(a) Defined benefit pension plan adjustments were reclassified to cost of operations and general and administrative expenses.

(q) New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended by subsequent ASUs (collectively, "ASU 2014-09"). ASU 2014-09 amends the existing accounting standards for revenue recognition and establishes principles for recognizing revenue upon the transfer of promised goods or services to customers based on the expected consideration to be received in exchange for those goods or services. The guidance is effective for interim and annual reporting periods beginning after December 15, 2017. The amendments may be applied retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application (modified retrospective method). The Company will adopt this new standard using the modified retrospective method. The Company has reviewed its contract portfolio in order to determine the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements. Based on the Company's evaluation of ASU 2014-09, the Company expects an immaterial reduction to beginning retained earnings, with an immaterial impact to net income on an ongoing basis. The Company has implemented changes to its business processes, systems and internal controls to support the adoption of this new standard and the related disclosure requirements. The adoption of the standard is also expected to impact the presentation of the consolidated balance sheet. The impact primarily relates to reclassifications among project working capital financial statement accounts to align with the new standard.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which amends the existing guidance in ASC 840, *Leases*. This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This guidance will be effective for interim and annual reporting periods beginning after December 15, 2018 and will be applied using the modified retrospective transition method for existing leases. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which simplifies several aspects of the accounting for share-based payment transactions, including the accounting for the income tax effect of share-based transactions and the forfeiture of share-based instruments. The Company prospectively adopted this ASU effective January 1, 2017. Upon this adoption, the Company changed its accounting policy for share-based awards that have service requirements such that the impact for failure to meet service requirements will only be recognized upon occurrence. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"), seeking to eliminate diversity in practice related to how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in ASU 2016-15 address eight specific cash flow issues including the classification of debt prepayment and extinguishment costs in the cash flow statement. The amendments in ASU 2016-15 are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period provided any adjustments should be reflected as of the beginning of the fiscal year that includes the interim period. The Company adopted this accounting standard in 2017 and has applied the provisions retrospectively to the beginning of the fiscal years presented in the Consolidated Financial Statements. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires restricted cash to be included with cash and cash equivalent balances in the statement of cash flows. The guidance is effective for interim and annual reporting periods beginning after December 15, 2017. The adoption of this ASU will result in an increase of net cash used in investing activities of $45.7 million for the year ended December 31, 2017.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). This ASU simplifies the calculation of goodwill impairment by eliminating Step 2 of the impairment test prescribed by ASC 350. Step 2 requires companies to calculate the implied fair value of their goodwill by estimating the fair value of their assets, other than goodwill, and liabilities, including unrecognized assets and liabilities, following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. The calculated net fair value of the assets would then be compared to the fair value of the reporting unit to determine the implied fair value of goodwill, and to the extent that the carrying value of goodwill was less than the implied fair value, a loss would be recognized. Under ASU 2017-04, however, goodwill is impaired when the calculated fair value of a reporting unit is less than its carrying value, and the impairment charge will equal that difference (i.e., impairment will be calculated at the reporting unit level and there will be no need to estimate the fair value of individual assets and liabilities). This guidance will be effective for any goodwill impairment tests performed in fiscal years beginning after December 15, 2019; however, early adoption is permitted for tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*. This ASU clarifies the scope of modification accounting under Topic 718 with respect to changes to the terms or conditions of a share-based payments award. Under this new guidance, modification accounting would not apply if a change to an award does not affect the total current fair value, vesting conditions or the classification of the award. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017, with early adoption permitted. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from the Accumulated Other Comprehensive Income*. This ASU gives entities the option to reclassify to retained earnings tax effects related to items in accumulated other comprehensive income that the FASB refers to as having been stranded in accumulated other comprehensive income as a result of tax reform. Entities can apply the provisions of this ASU either in the period of adoption or retrospectively. The guidance is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes during the year ended December 31, 2017 (in thousands):

Increase in:		
Accounts receivable	$	(57,609)
Costs and estimated earnings in excess of billings		(100,932)
Other current assets		(19,718)
(Decrease) Increase in:		
Accounts payable		(32,225)
Billings in excess of costs and estimated earnings		125,757
Accrued expenses		24,513
Changes in other components of working capital	$	(60,214)

Cash paid during the year for:		
Interest	$	50,443
Income taxes	$	39,776

3. Income Taxes

Income before taxes for the year ended December 31, 2017 is summarized as follows (in thousands):

United States operations	$	135,177
Foreign operations		18,798
Total	$	153,975

The income tax (benefit) provision for the year ended December 31, 2017 is as follows (in thousands):

Current expense:		
Federal	$	12,329
State		6,763
Foreign		3,435
Total current		22,527
Deferred (benefit) expense:		
Federal		(30,021)
State		5,560
Foreign		1,365
Total deferred		(23,096)
Total benefit	$	(569)

The following table is a reconciliation of the Company's income tax provision at the statutory rate to the income tax benefit at the Company's effective rate for the year ended December 31, 2017 (dollars in thousands):

	Amount	Rate
Federal income tax expense at statutory tax rate	$ 53,892	35.0 %
State income taxes, net of federal tax benefit	7,753	5.0
Impact of federal tax law change	(53,348)	(34.6)
Officers' compensation	2,622	1.7
Domestic production activities deduction	(2,668)	(1.7)
Noncontrolling interest	(2,137)	(1.4)
Reversal of taxes payable due to statute expiration	(4,337)	(2.8)
Other	(2,346)	(1.6)
Income tax benefit	$ (569)	(0.4) %

On December 22, 2017, the U.S. government enacted significant tax legislation commonly referred to as the Tax Cuts and Jobs Act of 2017 (the "TCJA"). The TCJA makes broad and complex changes to the U.S. tax code that will impact the Company's financial statements, including but not limited to a permanent decrease in the corporate federal statutory income tax rate from 35% to 21%, effective January 1, 2018, and a one-time transition tax from the inclusion of foreign earnings, which the Company can elect to pay over eight years. Future distributions from foreign subsidiaries, however, will no longer be subject to federal income tax.

As a result of the TCJA, the Company recognized an income tax benefit of $53.3 million in 2017, primarily due to the remeasurement of deferred tax assets and liabilities based on the reduced corporate federal statutory income tax rate of 21%.

The Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which provides guidance on accounting for the tax effects of the TCJA. SAB 118 provides a measurement period that should not extend beyond one year from the TCJA enactment date for companies to complete the accounting under ASC 740, *Income Taxes* ("ASC 740"). In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the TCJA is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the TCJA.

The one-time transition tax is based on the Company's total post-1986 earnings and profits ("E&P") that it previously deferred from U.S. income taxes. The Company recorded a provisional amount for its one-time transition tax liability for its foreign subsidiaries, resulting in an increase in income tax expense of $0.5 million. The Company has not yet completed its calculation of the total post-1986 E&P for these foreign subsidiaries. Further, the transition tax is based in part on the amount of those earnings held in cash and other specified assets. This amount may change when the Company finalizes the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxation and finalizes the amounts held in cash or other specified assets.

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2017 (in thousands):

Deferred tax assets:		
Timing of expense recognition	$	22,730
Net operating losses		8,590
Other, net		15,618
Deferred tax assets		46,938
Valuation allowance		(381)
Net deferred tax assets		46,557
Deferred tax liabilities:		
Intangible assets, due primarily to purchase accounting		(30,019)
Fixed assets, due primarily to purchase accounting		(73,833)
Construction contract accounting		(17,539)
Joint ventures		(11,343)
Other		(22,263)
Deferred tax liabilities		(154,997)
Net deferred tax liabilities	$	(108,440)

The net deferred tax liabilities as of December 31, 2017 is presented in the Consolidated Balance Sheet as follows (in thousands):

Deferred tax assets	$	64
Deferred tax liabilities		(108,504)
Net deferred tax liabilities	$	(108,440)

Prior to 2017, the Company did not provide for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings which the Company had the intent and the ability to reinvest in its foreign operations. Due to the enactment of the TCJA, the Company no longer intends to permanently reinvest in its foreign subsidiaries. Any tax on future distributions will be limited to certain state taxes, which would be immaterial.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total amount of gross unrecognized tax benefits as of December 31, 2017 that, if recognized, would affect the effective tax rate is $6.5 million. During 2017, the Company recognized a net decrease of $1.1 million in liabilities. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2017 is as follows (in thousands):

Beginning balance	$	7,574
Change in tax positions of prior years		(1,207)
Change in tax positions of current year		128
Ending Balance	$	6,495

The Company conducts business internationally and, as a result, one or more of its subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, the Company is subject to examination by taxing authorities principally throughout the United States, Guam and Canada. The Company is no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

4. Goodwill and Other Intangible Assets

As of December 31, 2017, the Company had $585.0 million of goodwill allocated to its reporting units as follows: Civil, $415.3 million; Building, $13.5 million; and Specialty Contractors, $156.2 million. The balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

In addition, as of December 31, 2017, the Company had the following: (1) non-amortizable trade names with a carrying value of $50.4 million; (2) amortizable trade names with a gross carrying value of $51.1 million and accumulated amortization of $16.3 million; and (3) amortizable customer relationships with a gross carrying value of $23.2 million and accumulated amortization of $18.9 million.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2017 totaled $3.5 million. Future amortization expense related to amortizable intangible assets will be approximately $3.5 million per year for the years 2018 through 2021 and $2.6 million for the year 2022.

The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 12 years, respectively.

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2017 consisted of the following (in thousands):

2017 Senior Notes	$	492,734
2017 Credit Facility		—
2010 Senior Notes		—
2014 Revolver		—
Term Loan		—
Convertible Notes		161,635
Equipment financing and mortgages		76,820
Other indebtedness		5,087
Total debt		736,276
Less: Current maturities		(30,748)
Long-term debt, net	$	705,528

The following table reconciles the outstanding debt balance to the reported debt balances as of December 31, 2017 (in thousands):

(in thousands)		Outstanding Long-Term Debt		Unamortized Discount and Issuance Costs		Long-Term Debt, as reported
2017 Senior Notes	$	500,000	$	(7,266)	$	492,734
Convertible Notes		200,000		(38,365)		161,635

The unamortized issuance cost related to the 2017 Credit Facility was $6.2 million as of December 31, 2017 and is included in other assets in the Consolidated Balance Sheet.

2017 Senior Notes

On April 20, 2017, the Company issued $500 million in aggregate principal amount of 6.875% Senior Notes due 2025 (the "2017 Senior Notes") in a private placement. Interest on the 2017 Senior Notes is payable in arrears semi-annually in May and November of each year, beginning in November 2017.

Prior to May 1, 2020, the Company may redeem the 2017 Senior Notes at a redemption price equal to 100% of their principal amount plus a "make-whole" premium described in the indenture. In addition, prior to May 1, 2020, the Company may redeem up to 40% of the original aggregate principal amount of the notes at a redemption price of 106.875% of their principal amount with the proceeds received by the Company from any offering of the Company's equity. After May 1, 2020, the Company may redeem the 2017 Senior Notes at specified redemption prices described in the indenture. Upon a change of control, holders of the 2017 Senior Notes may require the Company to repurchase all or part of the 2017 Senior Notes at 101% of the principal amount thereof, plus accrued and unpaid interest to the redemption date.

The 2017 Senior Notes are senior unsecured obligations of the Company and are guaranteed by substantially all of the Company's existing and future subsidiaries that also guarantee obligations under the Company's 2017 Credit Facility, as defined below. In addition, the indenture for the 2017 Senior Notes provides for customary covenants, including events of default and restrictions on the payment of dividends and share repurchases.

2017 Credit Facility

On April 20, 2017, the Company entered into a credit agreement (the "2017 Credit Facility") with SunTrust Bank as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2017 Credit Facility provides for a $350 million revolving credit facility (the "2017 Revolver") and a sublimit for the issuance of letters of credit and swingline loans up to the aggregate amount of $150 million and $10 million, respectively, both maturing on April 20, 2022, unless any of the Convertible Notes, as defined below, are outstanding on December 17, 2020, in which case all such borrowings will mature on December 17, 2020 (subject to certain further exceptions). In addition, the 2017 Credit Facility permits additional borrowings in an aggregate amount of $150 million, which can be in the form of increased capacity on the 2017 Revolver or the establishment of one or more term loans.

Borrowings under the 2017 Revolver bear interest, at the Company's option, at a rate equal to a margin over (a) the London Interbank Offered Rate ("LIBOR") plus a margin of between 1.50% and 3.00% or (b) a base rate (determined by reference to the highest of (i) the administrative agent's prime lending rate, (ii) the federal funds effective rate plus 50 basis points, (iii) the LIBOR rate for a one-month interest period plus 100 basis points and (iv) 0%), plus a margin of between 0.50% and 2.00%, in each case based on the Consolidated Leverage Ratio (as defined in the 2017 Credit Facility). In addition to paying interest on outstanding principal under the 2017 Credit Facility, the Company will pay a commitment fee to the lenders under the 2017 Revolver in respect of the unutilized commitments thereunder. The Company will pay customary letter of credit fees. If an event of default occurs and is continuing, the otherwise applicable margin and letter of credit fees will be increased by 2% per annum. The weighted-average annual interest rate on borrowings under the 2017 Revolver was approximately 3.89% during the year ended December 31, 2017.

The 2017 Credit Facility contains customary covenants for credit facilities of this type, including maximum consolidated leverage ratios ranging from 4.00:1.00 to 3.25:1.00 over the life of the facility and a minimum consolidated fixed charge coverage ratio of 1.25:1.00. Substantially all of the Company's subsidiaries unconditionally guarantee the obligations of the Company under the 2017 Credit Facility; additionally, the obligations are secured by a lien on all personal property of the Company and its subsidiaries guaranteeing these obligations.

As of December 31, 2017, there was $350.0 million available under the 2017 Revolver, and the Company had not utilized the 2017 Credit Facility for letters of credit. The Company was in compliance with the financial covenants under the 2017 Credit Facility as of December 31, 2017.

Repurchase and Redemption of 2010 Senior Notes and Termination of 2014 Credit Facility

On April 20, 2017, the Company used proceeds from the 2017 Senior Notes and 2017 Revolver to repurchase or redeem its 2010 Senior Notes, to pay off its Term Loan and 2014 Revolver, and to pay accrued but unpaid interest and fees. In addition, the indenture governing the 2010 Senior Notes was satisfied and discharged, and the Company terminated the 2014 Credit Facility.

2010 Senior Notes

On October 20, 2010, the Company issued $300 million of 7.625% Senior Notes due November 1, 2018 (the "2010 Senior Notes") in a private placement offering. As discussed above, on April 20, 2017, the Company repurchased or redeemed the 2010 Senior Notes in full and the related indenture was satisfied and discharged.

2014 Credit Facility

On June 5, 2014, the Company entered into a Sixth Amended and Restated Credit Agreement, as amended (the "2014 Credit Facility"), with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2014 Credit Facility provided for a $300 million revolving credit facility (the "2014 Revolver"), a $250 million term loan (the "Term Loan") and a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million, all maturing on May 1, 2018. Borrowings under both the 2014 Revolver and the Term Loan bore interest based either on Bank of America's prime lending rate or the London Interbank Offered Rate ("LIBOR"), each plus an applicable margin ranging from 1.25% to 3.00%, contingent upon the latest Consolidated Leverage Ratio.

As discussed above, on April 20, 2017, the Company repaid all borrowings under the 2014 Credit Facility and concurrently terminated the facility.

Convertible Notes

On June 15, 2016, the Company issued $200 million of 2.875% Convertible Senior Notes due June 15, 2021 (the "Convertible Notes") in a private placement offering. The Convertible Notes are unsecured obligations and do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Company. The Convertible Notes bear interest at a rate of 2.875% per year, payable in cash semi-annually in June and December.

To account for the Convertible Notes, the Company applied the provisions of ASC 470-20, *Debt with Conversion and Other Options* ("ASC 470-20"). ASC 470-20 requires issuers of certain convertible debt instruments that may be settled in cash upon conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate. This is done by allocating the proceeds from issuance to the liability component based on the fair value of the debt instrument excluding the conversion feature, with the residual allocated to the equity component and classified in additional paid in capital. The $46.8 million difference between the principal amount of the Convertible Notes ($200.0 million) and the proceeds initially allocated to the liability component ($153.2 million) is treated as a discount on the Convertible Notes. This difference is being amortized as non-cash interest expense using the interest method, as discussed below under *Interest Expense*. The equity component, however, is not subject to amortization nor subsequent remeasurement.

In addition, ASC 470-20 requires that the debt issuance costs associated with a convertible debt instrument be allocated between the liability and equity components in proportion to the allocation of the debt proceeds between these two components. The debt issuance costs attributable to the liability component of the Convertible Notes ($5.1 million) are also treated as a discount on the Convertible Notes and amortized as non-cash interest expense. The debt issuance costs attributable to the equity component ($1.5 million) were netted with the equity component and will not be amortized.

The following table presents information related to the liability and equity components of the Convertible Notes as of December 31, 2017 (in thousands):

Liability component:		
Principal	$	200,000
Conversion feature		(46,800)
Allocated debt issuance costs		(5,051)
Amortization of discount and debt issuance costs (non-cash interest expense)		13,486
Net carrying amount	$	161,635
Equity component:		
Conversion feature	$	46,800
Allocated debt issuance costs		(1,543)
Deferred taxes		(18,815)
Net carrying amount	$	26,442

Prior to January 15, 2021, the Convertible Notes will be convertible only under the following circumstances: (1) during the five business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of Convertible Notes for such trading day was less than 98% of the product of the last reported sale price of the Company's Common Stock and the conversion rate on each such trading day; (2) if the last reported sale price of the Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion rate of 33.0579 (or $39.32) on each applicable trading day; or (3) upon the occurrence of specified corporate events. On or after January 15, 2021 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes, in multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.

The Convertible Notes will be convertible at an initial conversion rate of 33.0579 shares of the Company's Common Stock per $1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately $30.25. The conversion rate will be subject to adjustment for some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, the Company is required to increase, in certain circumstances, the conversion rate for a holder who elects to convert their Convertible Notes in connection with such a corporate event including customary conversion rate adjustments in connection with a "make-whole fundamental change" described in the indenture. Upon conversion, and at the Company's election, the Company may satisfy its conversion obligation by paying or delivering, as applicable, cash, shares of its Common Stock or a combination of cash and shares of its Common Stock. As of December 31, 2017, the conversion provisions of the Convertible Notes have not been triggered.

Equipment Financing and Mortgages

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $61.1 million as of December 31, 2017, with interest rates ranging from 1.90% to 5.93% with equal monthly installment payments over periods up to ten years with additional balloon payments of $12.4 million in 2021 and $6.3 million in 2022 on the remaining loans outstanding at December 31, 2017. The aggregate balance of mortgage loans was approximately $15.7 million as of December 31, 2017, with interest rates ranging from a fixed 2.50% to LIBOR plus 3% and equal monthly installment payments over periods up to seven years with additional balloon payments of $2.6 million in 2018, $2.9 million in 2021 and $7.0 million in 2023.

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above (in thousands):

Year		
2018	$	30,748
2019		12,194
2020		5,321
2021		218,868
2022		7,457
Thereafter		507,319
		781,907
Less: Unamortized discount and issuance costs		(45,631)
Total	$	736,276

Interest Expense

Interest Expense as reported in the Consolidated Statement of Income for the year ended December 31, 2017 consisted of the following (in thousands):

Cash interest expense:		
Interest on 2017 Senior Notes	$	23,967
Interest on 2017 Credit Facility		5,517
Interest on 2010 Senior Notes		6,926
Interest on 2014 Credit Facility		4,455
Interest on Convertible Notes		5,750
Other interest		3,261
Cash portion of loss on extinguishment		1,913
Total cash interest expense		51,789
Non-cash interest expense[(a)]:		
Amortization of debt issuance costs on 2017 Senior Notes		516
Amortization of debt issuance costs on 2017 Credit Facility		962
Amortization of discount and debt issuance costs on 2010 Senior Notes		308
Amortization of debt issuance costs on 2014 Credit Facility		1,703
Amortization of discount and debt issuance costs on Convertible Notes		8,967
Non-cash portion of loss on extinguishment		5,139
Total non-cash interest expense		17,595
Total interest expense	$	69,384

(a) The combination of cash and non-cash interest expense produces effective interest rates that are higher than contractual rates. Accordingly, the effective interest rates for the 2017 Senior Notes and the Convertible Notes were 7.13% and 9.39%, respectively, for the year ended December 31, 2017.

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancellable operating leases, with future minimum rent payments as of December 31, 2017 as follows (in thousands):

Year		
2018	$	18,420
2019		12,424
2020		8,980
2021		6,240
2022		5,524
Thereafter		14,898
		66,486
Less: Sublease rental agreements		(2,291)
Total	$	64,195

Rental expense under operating leases of construction equipment, vehicles and office space was $27.4 million in 2017.

6. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims, and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, assets and liabilities may change in the future due to various factors. Management believes that, based on current information and discussions with the Company's legal counsel, the ultimate resolution of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of the more significant matters.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT, which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and affirmative counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements. Discovery was completed during 2017 and the Company is currently awaiting the establishment of a trial date.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Fontainebleau Matter

Desert Mechanical, Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada (the "District Court"), and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale that is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The Bankruptcy Court appointed a mediator to facilitate the execution of that settlement agreement, but the parties were unable to settle. During the third quarter of 2017, DMI filed a motion seeking permission to file an action in Nevada; the motion was granted by the Bankruptcy Court.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud.

In January 2017, the Court granted the City's motion for summary judgment and dismissed the Company's claim against the City. The Company has filed a notice of appeal. The Court also granted the Company's motion for summary judgment for release of retention plus interest from 2010 for an aggregate amount of approximately $1.2 million, which the City paid during the fourth quarter of 2017.

The Company does not expect ultimate resolution of this matter to have a material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, was contracted to construct a timeshare development project in Las Vegas, which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. In May 2017, the Nevada Supreme Court issued its ruling on the appeal by WPH and its Sureties. With only minor adjustments, the Nevada Supreme Court affirmed the lower district court's judgment, and following further proceedings in the lower district court, the anticipated final recovery to the Company is estimated to exceed $20 million, including interest and recovery of certain attorneys' fees and costs, of which the Company collected more than $16 million in 2017. In December 2017 and in January 2018, the Court issued several post-appeal orders confirming its previous rulings.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010 and was substantially completed in September 2012. R&S incurred significant additional costs as a result of design errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work. R&S filed claims against NOAA for contract adjustments related to the unresolved owner change orders, delays, design deficiencies and other claims.

In March 2017, the parties agreed to a proposed settlement, which was subsequently approved and paid by the government in the third quarter of 2017. The settlement did not have a material impact on the Company's financial results for the year ended December 31, 2017.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp. ("Five Star"), a wholly owned subsidiary of the Company that was acquired in 2011, entered into a tolling agreement (which has since expired) related to an ongoing investigation being conducted by the United States Attorney's Office for the Eastern District of New York ("USAO EDNY"). Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has provided information requested by the government related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and certain of Five Star's employee compensation, benefit and tax practices.

As of December 31, 2017, the Company cannot predict the ultimate outcome of the investigation and cannot reasonably estimate the potential loss or range of loss that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel required the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM was insured under a Builder's Risk Insurance Policy (the "Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the Insurers and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington ("Washington Superior Court") seeking declaratory relief concerning contract interpretation, as well as damages as a result of the Insurers' breach of their obligations under the terms of the Policy. WSDOT is deemed a plaintiff since WSDOT is an insured under the Policy and had filed its own claim for damages. Hitachi Zosen ("Hitachi"), the manufacturer of the TBM, has also joined the case as a plaintiff for costs incurred to repair the damages to the TBM. Trial is scheduled for October 2018. Discovery is ongoing.

In March 2016, WSDOT filed a complaint against STP in Thurston County Superior Court for breach of contract alleging STP's delays and failure to perform and declaratory relief concerning contract interpretation. STP filed its answer to WSDOT's complaint and filed a counterclaim against WSDOT and Hitachi. Trial is set for April 2019. Discovery is ongoing.

As of December 31, 2017, the Company has concluded that the potential for a material adverse financial impact due to the Insurers' denial of coverage and WSDOT's legal actions is neither probable nor remote, and the potential loss or range of loss is not reasonably estimable. With respect to STP's claims against the Insurers, WSDOT and Hitachi, management has included an estimate of the total anticipated recovery, concluded to be both probable and reliably estimable, in receivables or costs and estimated earnings in excess of billings recorded to date. To the extent new facts become known or the final recoveries vary from the estimate, the impact of the change will be reflected in the financial statements at that time.

7. Other Income, Net

On May 31, 2017, the Company entered into a settlement agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), as successor in interest to Banc of America Securities LLC and Bank of America, N.A. (collectively "BofA"), to resolve the pending litigation between the Company and Merrill Lynch. The litigation, which was filed by the Company in 2011, related to the purchase by the Company of certain auction-rate securities from BofA.

On June 6, 2017, the Company received the $37.0 million cash settlement payment agreed to in the settlement agreement, and the pending litigation was dismissed with prejudice. Neither party made any admission of liability or wrongdoing, and the settlement agreement includes mutual releases of all claims and liabilities related to the subject matter of the pending litigation.

The Company recognized the settlement as a gain during the second quarter of 2017 and reported it as a component of other income, net in its Consolidated Statement of Income for the year ended December 31, 2017.

8. Share-Based Compensation

On April 3, 2017, the Company adopted the Tutor Perini Corporation Incentive Compensation Plan ("Compensation Plan"), which was approved by the Company's shareholders on May 24, 2017. Additionally, the Company's Amended and Restated Tutor Perini Corporation Long-Term Incentive Plan ("Incentive Plan" together with Compensation Plan the "Plans") is still active. The Plans provide for various types of share-based grants, including restricted and unrestricted stock units and stock options. Restricted and unrestricted stock units give the holder the right to exchange their stock units for shares of the Company's Common Stock on a one-for-one basis. Per the Plans, stock options give the holder the right to purchase shares of the Company's Common Stock subsequent to the grant date at a defined exercise price equal to or greater than the fair value of the Company's Common Stock on the date of the stock option's award. Restricted stock units and stock options are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied; however, unrestricted stock units have no such restrictions. The term for stock options is limited to 10 years from the date of grant. The Compensation Plan allows for 2,335,000 shares of the Company's Common Stock to be issued. As of December 31, 2017, there were 1,554,364 shares available to be granted under the Compensation Plan and 405,529 shares authorized to be issued under the Incentive Plan; however, as discussed in the Company's Definitive Proxy Statement (Schedule 14A) filed on April 13, 2017, the Company will not issue the 405,529 shares remaining in the Incentive Plan. As of December 31, 2017, the Incentive Plan had an aggregate of 4,360,018 of restricted stock units and stock options from outstanding, historical awards that either have not vested or have vested but have not been exercised.

The terms of the Plans give the Company the right to settle the vesting of share-based grants in cash or shares. During the year ended December 31, 2017, the Company paid approximately $0.6 million to settle share-based awards.

Many of the awards issued under the Plans contain separate tranches, each for a separate performance period and each with a performance target to be established subsequent to the award date; accordingly, the tranches are accounted for under ASC 718, *Stock Compensation* ("ASC 718") as separate grants, with the grant date being the date the performance targets for a given tranche are established and communicated to the grantee. Similarly, for these awards, compliance with the requirements of the Plan is also based on the number of units granted in a given year, as determined by ASC 718, rather than the number of units awarded in a given year. As a result, as of December 31, 2017, the Company had outstanding awards with 214,000 restricted stock units and 194,000 stock options that had not been granted yet. These units will be granted in 2018 and 2019 when the performance targets for those respective years are established.

The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2017:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/ (Strike) Price Per Share
Outstanding as of December 31, 2016	1,156,484	$ 22.64	2,174,500	$ 19.50
Granted	1,064,000	30.02	539,000	24.54
Expired or cancelled	(20,985)	23.91	(19,466)	26.56
Vested/exercised	(801,515)	19.38	(140,000)	21.41
Outstanding as of December 31, 2017	1,397,984	$ 30.11	2,554,034	$ 20.45

The Company issued 99,155 unrestricted stock units at a weighted-average grant date fair value per share of $26.26 to the non-employee members of the Company's Board of Directors as part of their annual retainer fees. The fair value of unrestricted stock units issued during 2017 was approximately $2.6 million.

The fair value of restricted stock units that vested during 2017 was approximately $25.3 million. The aggregate intrinsic value, representing the difference between the market value on the date of exercise and the option price of the stock options exercised during 2017 was $1.3 million, with a corresponding tax benefit of $0.6 million. As of December 31, 2017, the balance of unamortized restricted stock and stock option expense was $22.5 million and $3.7 million, respectively, which will be recognized over weighted-average periods of 2.6 years for restricted stock units and 2.2 years for stock options.

The 2,554,034 outstanding stock options as of December 31, 2017 had an intrinsic value of $13.6 million and a weighted-average remaining contractual life of 4.4 years. Of those outstanding options: a) 1,988,034 were exercisable with an intrinsic value of $12.8 million, a weighted-average exercise price of $19.31 per share and a weighted-average remaining contractual life of 3.3 years; b) 566,000, with an intrinsic value of $0.7 million, a weighted-average exercise price of $24.27 and a weighted-average remaining contractual life of 8.2 years, have been granted but have not vested; and c) of the 566,000 granted but unvested options, 527,816 are expected to vest.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2017 are as follows:

Total stock options granted	539,000
Weighted-average grant date fair value	$ 13.11
Weighted-average assumptions:	
Risk-free rate	1.81 %
Expected life of options[(a)]	4.8
Expected volatility[(b)]	43.09 %
Expected quarterly dividends	$ —

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's Common Stock over periods commensurate with the expected life of the option.

For the year ended December 31, 2017, the Company recognized, as part of general and administrative expenses, costs for share-based payment arrangements for employees of $19.6 million and costs for share-based awards to non-employee directors of $1.6 million. The aggregate tax benefit for these awards was approximately $8.7 million for the year ended December 31, 2017.

9. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its year-end as its measurement date to determine the funded status of the plan.

The long-term investment goals of the Company's plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The pension plan's assets are managed by a third-party investment manager. The Company monitors investment performance and risk on an ongoing basis.

A summary of net periodic benefit cost for the year ended December 31, 2017 is as follows (in thousands):

Interest cost	$ 3,919
Service cost	850
Expected return on plan assets	(4,358)
Recognized net actuarial losses	1,897
Net periodic benefit cost	$ 2,308
Actuarial assumptions used to determine net cost:	
Discount rate	3.90 %
Expected return on assets	6.00 %
Rate of increase in compensation	N/A

The target asset allocation for the Company's pension plan by asset category for 2018 and the actual asset allocation as of December 31, 2017 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	Target Allocation 2018	Actual Allocation 2017
Cash	5 %	3 %
Equity funds:		
Domestic	37	41
International	28	31
Fixed income funds	30	25
Total	100 %	100 %

As of December 31, 2017, plan assets included approximately $30.7 million of investments in hedge funds and equity partnerships which do not have readily determinable fair values. The underlying holdings of the funds were comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $2.8 million to its defined benefit pension plan in 2018.

Future benefit payments under the plans are estimated as follows (in thousands):

Year ended December 31,	
2018	$ 6,748
2019	6,798
2020	6,781
2021	6,785
2022	6,721
2023-2027	32,410
Total	$ 66,243

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2017 and a summary of the funded status as of December 31, 2017 (in thousands):

Change in Fair Value of Plan Assets		
Balance at beginning of year	$	66,057
Actual return on plan assets		9,224
Company contribution		2,838
Benefit payments		(6,578)
Balance at end of year	$	71,541
Change in Benefit Obligations		
Balance at beginning of year	$	103,681
Interest cost		3,919
Service cost		850
Assumption change (gain) loss		3,854
Actuarial (gain) loss		492
Benefit payments		(6,578)
Balance at end of year	$	106,218
Funded status	$	(34,677)
Net unfunded amounts recognized in Consolidated Balance Sheet consist of:		
Current liabilities	$	(279)
Long-term liabilities		(34,398)
Total net unfunded amount recognized in Consolidated Balance Sheet	$	(34,677)

Amounts not yet recognized in net periodic benefit cost and included in accumulated other comprehensive loss consist of net actuarial losses before income taxes of $58.7 million for the year ended December 31, 2017.

In 2017, net other comprehensive income of $2.4 million consisted of reclassification adjustments for the amortization of previously existing actuarial losses and net actuarial gains arising during the period.

The estimated amount of the net accumulated loss (consisting of net actuarial losses) that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2018 is $2.1 million.

The discount rate used in determining the accumulated post-retirement benefit obligation was 3.5% as of December 31, 2017. The discount rate used for the accumulated post-retirement obligation was derived using a blend of U.S. Treasury and high-quality corporate bond discount rates.

The expected long-term rate of return on assets assumption was 6.0% for 2017. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the plans' target asset allocation and full availability of invested assets.

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy, equity partnerships and distressed credit.

Plan assets were measured at fair value. Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. Equity and fixed income funds are valued based on quoted market prices in active markets. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds were determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent.

The following table sets forth the plan assets as of December 31, 2017 at fair value in accordance with the fair value hierarchy described in Note 10 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,390	$ —	$ —	$ 2,390
Fixed income funds	18,031	—	—	18,031
Equity funds	20,372	—	—	20,372
	$ 40,793	$ —	$ —	$ 40,793
Closely held funds[a]				
Equity partnerships				8,711
Hedge fund investments				22,037
Total closely held funds[a]				30,748
Total	$ 40,793	$ —	$ —	$ 71,541

(a) Closely held funds in private investment were measured at fair value using NAV and were not categorized in the fair value hierarchy. Although the investments were not categorized within the fair value hierarchy, the holdings of these private investment funds were comprised of a combination of Level 1, 2 and 3 investments, but were not categorized in the fair value hierarchy because they were measured at NAV using the practical expedient under ASC 820, *Fair Value Measurement* ("ASC 820").

The plans have benefit obligations in excess of the fair value of each plan's assets as of December 31, 2017 detailed as follows (in thousands):

	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 102,806	$ 3,412	$ 106,218
Accumulated benefit obligation	$ 102,806	$ 3,412	$ 106,218
Fair value of plans' assets	71,541	—	71,541
Projected benefit obligation greater than fair value of plans' assets	$ 31,265	$ 3,412	$ 34,677
Accumulated benefit obligation greater than fair value of plans' assets	$ 31,265	$ 3,412	$ 34,677

Section 401(k) Plan

The Company has a contributory Section 401(k) plan which covers its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The cost recognized by the Company for its 401(k) plan was $4.2 million in 2017. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by the plan.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

The following table summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2017:

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status	FIP/RP Status Pending Or Implemented	Company Contributions[a] (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
The Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Fund	13-6123601/001	Green	N/A	$16.0	No	4/30/2019
Carpenters Pension Trust Fund for Northern California	94-6050970	Red	Implemented	8.2	No	6/30/2019
Laborers Pension Trust Fund for Northern California	94-6277608	Yellow	Implemented	6.6	No	6/30/2019
Northern California Electrical Workers Pension Plan	94-6062674	Green	N/A	5.2	No	5/31/2018
Steamfitters Industry Pension Fund	13-6149680/001	Green	N/A	3.9	No	6/30/2020

(a) The Company's contributions as a percentage of total plan contributions were not available for any of its plans.

In addition to the individually significant plans described above, the Company also contributed approximately $32.1 million in 2017 to other multiemployer pension plans.

10. Fair Value Measurements

The fair value hierarchy established by ASC 820 prioritizes the use of inputs used in valuation techniques into the following three levels:

- Level 1 inputs are observable quoted prices in active markets for identical assets or liabilities
- Level 2 inputs are observable, either directly or indirectly, but are not Level 1 inputs
- Level 3 inputs are unobservable

The following fair value hierarchy table presents the Company's assets that are measured at fair value on a recurring basis as of December 31, 2017 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents[a]	$ 192,868	$ —	$ —	$ 192,868
Restricted cash[a]	4,780	—	—	4,780
Investments in lieu of retainage[b]	69,891	2,405	—	72,296
Total	$ 267,539	$ 2,405	$ —	$ 269,944

(a) Includes money market funds with original maturity dates of three months or less.
(b) Investments in lieu of retainage are included in accounts receivable and are comprised of money market funds and municipal bonds, the majority of which are rated A3 or better. The fair values of the money market funds are measured using quoted market prices; therefore, they are classified as Level 1 assets. The fair values of municipal bonds are measured using readily available pricing sources for comparable instruments; therefore, they are classified as Level 2 assets. All of the above investments are available-for-sale securities.

The Company did not have material transfers between Levels 1 and 2 during the year ended December 31, 2017.

The carrying values of receivables, payables and other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. The Company's restricted investments carried at amortized cost have an aggregate fair value of $52.5 million as of December 31, 2017, determined using Level 2 inputs. Of the Company's long-term debt, the fair values of the 2017 Senior Notes as of December 31, 2017 was $537.5 million. The fair value of the Convertible Notes was $222.2 million as of December 31, 2017. The fair values of the 2017 Senior Notes and Convertible Notes were determined using Level 1 inputs, specifically current observable market prices. The reported value of the Company's remaining borrowings as of December 31, 2017 approximates fair value.

11. Variable Interest Entities

From time to time the Company may form joint ventures with third parties for the execution of single contracts or projects. In accordance with ASC 810, the Company assesses its joint ventures at inception to determine if any meet the qualifications of a VIE. The Company considers a joint venture a VIE if either (a) the total equity investment is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) characteristics of a controlling financial interest are missing (either the ability to make decisions through voting or other rights, the obligation to absorb the expected losses of the entity or the right to receive the expected residual returns of the entity), or (c) the voting rights of the equity holders are not proportional to their obligations to absorb the expected losses of the entity and/or their rights to receive the expected residual returns of the entity, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights. Upon the occurrence of certain events outlined in ASC 810, the company reassesses its initial determination of whether the joint venture is a VIE.

ASC 810 also requires the Company to determine whether it is the primary beneficiary of the VIE. The Company concludes that it is the primary beneficiary and consolidates the VIE if the Company has both (a) the power to direct the economically significant activities of the VIE and (b) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. The Company considers the contractual agreements that define the ownership structure, distribution of profits and losses, risks, responsibilities, indebtedness, voting rights and board representation of the respective parties in determining if the Company is the primary beneficiary. The Company also considers all parties that have direct or implicit variable interests when determining whether it is the primary beneficiary. In accordance with ASC 810, management's assessment of whether the Company is the primary beneficiary of a VIE is performed continuously.

As of December 31, 2017, the Company's Consolidated Balance Sheet included current and noncurrent assets of $95.5 million and $11.6 million, respectively, as well as current liabilities of $140.7 million related to the operations of its consolidated VIEs.

One large joint venture that the Company is consolidating was established to construct the Purple Line Segment 2 Extension project, a $1.4 billion mass-transit project in Los Angeles, California. The Company has a 75% interest in the joint venture with the remaining 25% held by O&G Industries, Inc. The joint venture was initially financed with contributions from the partners and, per the terms of the joint venture agreement, the partners may be required to provide additional capital contributions in the future.

12. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services: site work; concrete forming and placement; steel erection; electrical; mechanical; plumbing; and heating, ventilation and air conditioning (HVAC). As described below, the Company's business is conducted through three segments: Civil, Building and Specialty Contractors. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, tunnels, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services for private and public works customers in a number of specialized building markets, including: high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of Civil and Building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides the Company with unique strengths and capabilities that allow the Company to position itself as a full-service contractor with greater control over scheduled work, project delivery and risk management.

The following tables set forth certain reportable segment information relating to the Company's operations for the year ended December 31, 2017 (in thousands):

	Reportable Segments					
(in thousands)	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total revenue	$ 1,856,164	$ 1,982,857	$ 1,213,708	$ 5,052,729	$ —	$ 5,052,729
Elimination of intersegment revenue	(253,989)	(41,532)	—	(295,521)	—	(295,521)
Revenue from external customers	$ 1,602,175	$ 1,941,325	$ 1,213,708	$ 4,757,208	$ —	$ 4,757,208
Income from construction operations	$ 192,207	$ 34,199	$ 18,938	$ 245,344	$ (65,867)[(a)]	$ 179,477
Capital expenditures	$ 27,694	$ 267	$ 721	$ 28,682	$ 1,598	$ 30,280
Depreciation and amortization[(b)]	$ 33,767	$ 2,021	$ 4,699	$ 40,487	$ 11,443	$ 51,930

(a) Consists primarily of corporate general and administrative expenses.
(b) Depreciation and amortization is included in income from construction operations.

There were no material changes in estimates during the year ended December 31, 2017.

Total assets by segment as of December 31, 2017 are as follows (in thousands):

Civil	$ 2,452,108
Building	909,207
Specialty Contractors	767,807
Corporate and other[(a)]	135,001
Total assets	$ 4,264,123

(a) Consists principally of cash, equipment, tax-related assets and insurance-related assets, offset by the elimination of assets related to intersegment revenue.

Geographic Information

Information concerning principal geographic areas as of and for the year ended December 31, 2017 is as follows (in thousands):

Revenue:	
United States	$ 4,613,644
Foreign and U.S. territories	143,564
Total revenue	$ 4,757,208

Assets:	
United States	$ 4,093,673
Foreign and U.S. territories	170,450
Total assets	$ 4,264,123

Reconciliation of Segment Information to Consolidated Amounts

A reconciliation of segment results to the consolidated income before income taxes for the year ended December 13, 2017 is as follows (in thousands):

Income from construction operations	$ 179,477
Other income, net	43,882
Interest expense	(69,384)
Income before income taxes	$ 153,975

13. Related Party Transactions

The Company leases, at market rates, certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer. Under these leases, the Company paid $2.8 million and recognized expense of $3.2 million during the year ended December 31, 2017.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company. The Company occasionally forms construction project joint ventures with O&G, in which each partner may provide services and equipment to these joint ventures on customary trade terms. During the year ended December 31, 2017, the Company had three active joint ventures with O&G including two infrastructure projects in the northeastern United States that are both complete, and one for a project in Los Angeles, California in which the Company's and O&G's joint venture interests are 75% and 25%, respectively. Payments made by these joint ventures to O&G for services and equipment during the year ended December 31, 2017 were immaterial.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance-related services. The associated expenses for services provided for the year ended December 31, 2017 were $17.6 million. The Company owed Alliant $0.5 million as of December 31, 2017 for services rendered.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2017
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.
ASSETS								
CURRENT ASSETS:								
Cash	$ 106,462	$ 643	$ —	$ 24,116	$ 7,985	$ 51	$ 1	$ 1,117
Restricted cash	1,072	—	—	—	176	—	—	—
Restricted investments	—	—	—	—	—	—	—	—
Accounts receivable, including retainage	480,338	34,064	27,193	87,159	78,248	8,345	88,176	21,047
Costs and estimated earnings in excess of billings	140,580	77,458	48,994	82,657	18,088	6,891	27,553	11,506
Intercompany notes and receivables	—	—	—	—	—	—	—	—
Other current assets	76,535	590	230	4,546	5,004	286	863	25
Total current assets	804,987	112,755	76,417	198,478	109,501	15,573	116,593	33,695
PROPERTY AND EQUIPMENT, at cost								
Land	4,090	—	2,408	492	1,771	—	15,396	—
Building and improvements	22,172	—	4,420	1,798	3,914	—	23,547	852
Construction equipment	49,218	8,294	14,308	71,958	76,063	24,902	1,412	297
Other equipment	63,954	70,558	2,542	1	9,979	32	3,678	1,133
	139,434	78,852	23,678	74,249	91,727	24,934	44,033	2,282
Less accumulated depreciation	(83,492)	(29,894)	(11,236)	(24,900)	(35,582)	(6,438)	(8,900)	(1,702)
Total property and equipment, net	55,942	48,958	12,442	49,349	56,145	18,496	35,133	580
INTERCOMPANY NOTES AND RECEIVABLES	—	—	—	—	208,429	—	382,164	2,311
GOODWILL	571,519	—	—	—	—	—	—	—
INTANGIBLE ASSETS, NET	89,454	—	—	—	—	—	—	—
INVESTMENTS IN SUBSIDIARIES	1,959,894	—	—	—	—	—	—	—
OTHER ASSETS	49,419	3,277	—	—	—	—	2,005	147
TOTAL ASSETS	$ 3,531,215	$ 164,990	$ 88,859	$ 247,827	$ 374,075	$ 34,069	$ 535,895	$ 36,733
LIABILITIES AND STOCKHOLDERS' EQUITY								
CURRENT LIABILITIES:								
Current maturities of long-term debt	$ 68,071	$ 2,426	$ —	$ 2,248	$ 2,931	$ 2,774	$ —	$ —
Accounts payable, including retainage	295,880	4,035	21,513	28,795	58,127	1,155	97,456	16,060
Billings in excess of costs and estimated earnings	200,421	—	2,626	22,050	34,718	92	2,762	—
Intercompany notes and advances payable-short term	28,786	—	—	—	—	—	—	—
Accrued expenses and other current liabilities	69,072	1,523	1,218	8,046	5,053	484	2,288	101
Total current liabilities	662,230	7,984	25,357	61,139	100,829	4,505	102,506	16,161
LONG TERM DEBT, less current maturities	667,694	18,254	—	—	1,042	6,836	—	—
DEFERRED INCOME TAXES	18,530	20,132	2,420	10,268	22,636	3,649	—	—
OTHER LONG-TERM LIABILITIES	107,779	1,730	—	—	—	—	—	531
INTERCOMPANY NOTES & ADVANCES PAYABLE	372,010	53,225	3,819	72,239	—	13,266	2,798	8
TOTAL LIABILITIES	1,828,243	101,325	31,596	143,646	124,507	28,256	105,304	16,700
STOCKHOLDERS' EQUITY:								
Treasury Stock-Perini	—	—	—	—	—	—	—	—
Common stock	49,781	—	7	1	2,231	10	95	4
Additional paid-in capital	1,084,205	27,406	1	56,297	37,167	—	—	279
Retained earnings (deficit)	622,007	36,259	57,255	50,704	210,170	5,803	430,496	19,750
Accumulated other comprehensive income (loss)	(42,718)	—	—	(4,629)	—	—	—	—
Total stockholders' equity	1,713,275	63,665	57,263	102,373	249,568	5,813	430,591	20,033
Noncontrolling interests	(10,303)	—	—	1,808	—	—	—	—
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,531,215	$ 164,990	$ 88,859	$ 247,827	$ 374,075	$ 34,069	$ 535,895	$ 36,733

	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS									
CURRENT ASSETS:									
Cash	$ 3	$ —	$ 1,506	$ 9,727	$ 30,639	$ 8,597	$ 2,021	$ —	$ 192,868
Restricted cash	—	—	—	—	—	1,421	2,111	—	4,780
Restricted investments	—	—	—	—	—	—	53,014	—	53,014
Accounts receivable, including retainage	265,331	140,768	25,979	11,364	23,815	630,068	140,801	(261,040)	1,801,656
Costs and estimated earnings in excess of billings	1,995	106,033	17,686	32,045	1,950	437,744	152	(78,574)	932,758
Intercompany notes and receivables	78,013	—	—	2,503	—	—	—	(80,516)	—
Other current assets	3,758	5,713	1,310	250	13,925	5,306	14,892	(43,917)	89,316
Total current assets	349,100	252,514	46,481	55,889	70,329	1,083,136	212,991	(464,047)	3,874,392
PROPERTY AND EQUIPMENT, at cost									
Land	4,456	—	123	—	8,874	3,284	488	—	41,382
Building and improvements	13,236	1,204	3,931	—	12,344	24,287	13,324	—	125,029
Construction equipment	4,910	—	310	—	25,874	7,433	193,009	—	477,988
Other equipment	8,515	1,696	2,864	183	6,070	8,166	2,917	—	182,288
	31,117	2,900	7,228	183	53,162	43,170	209,738	—	826,687
Less accumulated depreciation	(19,112)	(1,760)	(3,971)	(125)	(23,931)	(20,550)	(87,595)	—	(359,188)
Total property and equipment, net	12,005	1,140	3,257	58	29,231	22,620	122,143	—	467,499
INTERCOMPANY NOTES AND RECEIVABLES	156,608	—	2,303	183,861	10,458	44,862	38,864	(1,021,860)	—
GOODWILL	—	—	—	—	—	13,487	—	—	585,006
INTANGIBLE ASSETS, NET	—	—	—	—	—	—	—	—	89,454
INVESTMENTS IN SUBSIDIARIES	—	—	—	—	—	—	—	(1,959,894)	—
OTHER ASSETS	—	5,629	9,857	214	64	1,163	54	(24,057)	47,772
TOTAL ASSETS	$ 517,713	$ 259,283	$ 61,898	$ 240,022	$ 110,082	$ 1,165,268	$ 366,052	$ (3,469,858)	$ 4,264,123
LIABILITIES AND STOCKHOLDERS' EQUITY									
CURRENT LIABILITIES:									
Current maturities of long-term debt	$ —	$ —	$ —	$ —	$ 723	$ 483	$ 11,092	$ (60,000)	$ 30,748
Accounts payable, including retainage	290,219	115,376	27,475	47,292	8,303	189,979	4,724	(244,598)	961,791
Billings in excess of costs and estimated earnings	45,640	345	11,780	8,057	21,957	98,774	44,194	(34,547)	456,869
Intercompany notes and advances payable-short term	—	—	—	—	—	—	51,730	(80,516)	—
Accrued expenses and other current liabilities	13,241	7,426	3,670	539	6,547	24,254	26,698	(37,722)	132,438
Total current liabilities	349,100	123,147	42,925	55,888	37,530	313,490	138,438	(459,383)	1,581,846
LONG TERM DEBT, less current maturities	—	—	—	—	4,316	8,577	5,074	(6,265)	705,528
DEFERRED INCOME TAXES	82	—	—	—	646	16,038	29,868	(15,765)	108,504
OTHER LONG-TERM LIABILITIES	—	—	—	—	—	—	53,442	(17)	163,465
INTERCOMPANY NOTES & ADVANCES PAYABLE	—	129,417	—	423	—	354,344	244	(1,001,793)	—
TOTAL LIABILITIES	349,182	252,564	42,925	56,311	42,492	692,449	227,066	(1,483,223)	2,559,343
STOCKHOLDERS' EQUITY:									
Treasury Stock-Perini	—	—	—	—	—	—	(658)	658	—
Common stock	11	—	3	1	1,499	7	710	(4,579)	49,781
Additional paid-in capital	6,303	10,000	22,439	—	16,251	226,117	188,319	(590,579)	1,084,205
Retained earnings (deficit)	162,217	(3,281)	(3,469)	183,710	51,475	246,651	(49,385)	(1,398,355)	622,007
Accumulated other comprehensive income (loss)	—	—	—	—	(1,635)	44	—	6,220	(42,718)
Total stockholders' equity	168,531	6,719	18,973	183,711	67,590	472,819	138,986	(1,986,635)	1,713,275
Noncontrolling interests	—	—	—	—	—	—	—	—	(8,495)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 517,713	$ 259,283	$ 61,898	$ 240,022	$ 110,082	$ 1,165,268	$ 366,052	$ (3,469,858)	$ 4,264,123

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture assets and liabilities is included in the respective amounts shown above.
(4) Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
(5) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Anttech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(6) Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.
REVENUE	$ 1,241,189	$ 8,674	$ 89,837	$ 157,359	$ 338,502	$ 21,660	$ 424,081	$ 19,348	$ 1,087,220
COST OF OPERATIONS	(1,095,039)	(11,139)	(81,527)	(133,625)	(287,126)	(16,430)	(409,103)	(18,961)	(1,037,201)
GROSS PROFIT (LOSS)	146,150	(2,465)	8,310	23,734	51,376	5,230	14,978	387	50,019
General and administrative expenses	(101,523)	(20)	(659)	(14,179)	(14,620)	(2,464)	(16,969)	(1,170)	(23,970)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	44,627	(2,485)	7,651	9,555	36,756	2,766	(1,991)	(783)	26,049
Equity in earnings of subsidiaries	144,444	—	—	—	—	—	—	—	—
Other income (expense), net	32,181	(21)	—	3,887	5,114	748	5	—	286
Interest expense	(69,309)	—	—	(34)	(136)	(392)	—	—	—
INCOME (LOSS) BEFORE INCOME TAXES	151,943	(2,506)	7,651	13,408	41,734	3,122	(1,986)	(783)	26,335
Income tax benefit (provision)	2,386	15,032	(2,232)	1,305	(6,496)	416	(204)	202	(8,932)
NET INCOME (LOSS)	154,329	12,526	5,419	14,713	35,238	3,538	(2,190)	(581)	17,403
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(5,947)	—	—	(215)	—	—	—	—	—
NET INCOME (LOSS) ATTRIBUTABLE TO TUTOR PERINI CORPORATION	$ 148,382	$ 12,526	$ 5,419	$ 14,498	$ 35,238	$ 3,538	$ (2,190)	$ (581)	$ 17,403

	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 221,035	$ 158,725	$ 82,249	$ 96,941	$ 1,213,709	$ 52,483	$ (455,804)	$ 4,757,208
COST OF OPERATIONS	(217,035)	(146,812)	(73,245)	(75,282)	(1,129,774)	(26,308)	455,804	(4,302,803)
GROSS PROFIT (LOSS)	4,000	11,913	9,004	21,659	83,935	26,175	—	454,405
General and administrative expenses	(5,723)	(8,399)	(5,770)	(8,994)	(68,531)	(1,937)	—	(274,928)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	(1,723)	3,514	3,234	12,665	15,404	24,238	—	179,477
Equity in earnings of subsidiaries	—	—	—	—	—	—	(144,444)	—
Other income (expense), net	4	24	24	62	443	2,723	(1,598)	43,882
Interest expense	—	—	—	(186)	(372)	(553)	1,598	(69,384)
INCOME (LOSS) BEFORE INCOME TAXES	(1,719)	3,538	3,258	12,541	15,475	26,408	(144,444)	153,975
Income tax benefit (provision)	(360)	(3,815)	(1,346)	(4,657)	5,122	4,148	—	569
NET INCOME (LOSS)	(2,079)	(277)	1,912	7,884	20,597	30,556	(144,444)	154,544
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	—	—	—	—	(6,162)
NET INCOME (LOSS) ATTRIBUTABLE TO TUTOR PERINI CORPORATION	$ (2,079)	$ (277)	$ 1,912	$ 7,884	$ 20,597	$ 30,556	$ (144,444)	$ 148,382

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Artech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2016	$ 473,625	$ 23,733	$ 51,836	$ 36,206	$ 174,932	$ 2,265	$ 432,686	$ 20,331	$ 144,814	$ (1,202)	$ (3,192)	$ 181,798	$ 43,591	$ 226,054	$ (79,941)	$ (1,253,911)	$ 473,625
Net income (loss)	148,382	12,526	5,419	14,498	35,238	3,538	(2,190)	(581)	17,403	(2,079)	(277)	1,912	7,884	20,597	30,556	(144,444)	148,382
BALANCE - December 31, 2017	$ 622,007	$ 36,259	$ 57,255	$ 50,704	$ 210,170	$ 5,803	$ 430,496	$ 19,750	$ 162,217	$ (3,281)	$ (3,469)	$ 183,710	$ 51,475	$ 246,651	$ (49,385)	$ (1,398,355)	$ 622,007

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Artech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(in thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:																	
Net income (loss)	$ 154,329	$ 12,526	$ 5,419	$ 14,713	$ 35,238	$ 3,538	$ (2,190)	$ (581)	$ 17,403	$ (2,079)	$ (277)	$ 1,912	$ 7,884	$ 20,597	$ 30,556	$ (144,444)	$ 154,544
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	17,078	5,632	581	2,286	4,364	1,601	818	103	482	212	329	34	2,014	2,197	9,956	—	48,387
Amortization of intangible assets	3,543	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,543
Change in debt discounts and debt issuance costs	17,595	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17,595
Equity in earnings of subsidiaries	(144,444)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	144,444	—
Share-based compensation expense	21,174	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21,174
Deferred income taxes	181	(16,842)	(945)	(6,156)	4,028	(1,497)	(2,235)	444	(275)	3,427	4,340	(113)	965	8,122	(16,540)	—	(23,096)
(Gain) loss on sale of property and equipment	—	—	36	16	(294)	33	(1)	—	(16)	13	(1)	—	(40)	(65)	1,450	—	1,131
Other long-term liabilities	(1,120)	4	—	—	—	—	(14)	(36)	—	—	—	—	—	—	4,822	—	3,656
Other non-cash items	4,361	—	—	1,507	(10,164)	—	—	—	—	—	485	—	413	85	143	—	(3,170)
Changes in other components of working capital	44,066	5,180	(22,211)	(2,910)	13,011	(2,464)	17,223	(3,019)	27,122	(44,829)	(1,172)	(1,816)	2,676	(91,308)	237	—	(60,214)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	116,763	6,500	(17,120)	9,456	46,183	1,211	13,601	(3,089)	44,716	(43,256)	3,704	17	13,912	(59,672)	30,624	—	163,550
CASH FLOWS FROM INVESTING ACTIVITIES:																	
Acquisition of property and equipment	(1,689)	(232)	(97)	(12,144)	(8,176)	(522)	—	(53)	(2)	(105)	(108)	—	(1,715)	(721)	(4,716)	—	(30,280)
Proceeds from sale of property and equipment	—	—	83	13	604	41	2	—	94	—	8	—	93	175	1,631	—	2,744
Investments in securities, restricted	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(54,504)	—	(54,504)
Investments in securities	—	—	—	—	—	—	—	—	—	—	—	—	—	177	(6,640)	—	(6,463)
Proceeds from maturities of investments in securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,370	—	1,370
Change in restricted cash	944	—	—	—	227	—	—	—	—	—	—	—	—	388	44,165	—	45,724
(Increase) decrease in intercompany advances	—	—	13,833	—	(37,913)	—	(13,603)	3,090	(44,805)	—	(4,523)	9,407	(171)	(3,377)	—	78,062	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(745)	(232)	13,819	(12,131)	(45,258)	(481)	(13,601)	3,037	(44,713)	(105)	(4,623)	9,407	(1,793)	(3,358)	(18,694)	78,062	(41,409)
CASH FLOWS FROM FINANCING ACTIVITIES:																	
Proceeds from debt	2,161,384	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,161,384
Repayment of debt	(2,172,833)	(2,426)	—	(720)	(2,973)	(2,722)		—	—	—	—	—	(698)	(556)	(12,140)	—	(2,195,068)
Cash payments related to share-based compensation	(11,769)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(11,769)
Debt issuance and extinguishment costs	(15,266)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(15,266)
Distributions paid to noncontrolling interests	(17,499)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(17,499)
Contributions from noncontrolling interests	1,251	—		1,591	—	—	—	—	—	—	—	—	—	—	—	—	2,842
Increase/(decrease) in intercompany advances	(35,655)	(4,220)	2,236	8,428	—	1,996	—	—	—	43,361	—	—	—	59,886	2,030	(78,062)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(90,387)	(6,646)	2,236	9,299	(2,973)	(726)	—	—	—	43,361	—	—	(698)	59,330	(10,110)	(78,062)	(75,376)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,631	(378)	(1,065)	6,624	(2,048)	4	—	(52)	3	—	(919)	9,424	11,421	(3,700)	1,820	—	46,765
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	80,831	1,021	1,065	17,492	10,033	47	1	1,169	—	—	2,425	303	19,218	12,297	201	—	146,103
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 106,462	$ 643	$ —	$ 24,116	$ 7,985	$ 51	$ 1	$ 1,117	$ 3	$ —	$ 1,506	$ 9,727	$ 30,639	$ 8,597	$ 2,021	$ —	$ 192,868
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 49,020	$ —	$ —	$ 34	$ 138	$ 122	$ —	$ —	$ —	$ —	$ —	$ —	$ 187	$ 370	$ 572	$ —	$ 50,443
Income taxes	$ 31,327	$ —	$ —	$ 2,419	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 293	$ 1,737	$ —	$ 4,000	$ —	$ 39,776

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Avtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(5) Consolidating Statement of Cash Flows does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental
Consolidating Information for Tutor Perini's General
Contractor Subsidiaries as of and for the
Year Ended December 31, 2016, and
Report of Independent Registered Public Accounting Firm

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Tutor Perini Corporation
Sylmar, California

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2016, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the year ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Tutor Perini Corporation and subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The supplemental consolidating information on pages 31-34 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 23, 2017
(March 31, 2017 as to the supplemental consolidating information)

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands, except per share data)

REVENUE	$ 4,973,076
COST OF OPERATIONS	(4,515,886)
GROSS PROFIT	457,190
General and administrative expenses	(255,270)
INCOME FROM CONSTRUCTION OPERATIONS	201,920
Other income, net	6,977
Interest expense	(59,782)
INCOME BEFORE INCOME TAXES	149,115
Provision for income taxes	(53,293)
NET INCOME	$ 95,822
BASIC EARNINGS PER COMMON SHARE	$ 1.95
DILUTED EARNINGS PER COMMON SHARE	$ 1.92
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:	
Basic	49,150
Diluted	49,864

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

NET INCOME	$	95,822
OTHER COMPREHENSIVE LOSS, NET OF TAX:		
Defined benefit pension plan adjustments		(2,623)
Foreign currency translation adjustment		(261)
Unrealized loss in fair value of investments		(340)
Unrealized loss in fair value of interest rate swap		(24)
Total other comprehensive loss, net of tax		(3,248)
TOTAL COMPREHENSIVE INCOME	$	92,574

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2016
(In thousands, except share data)

ASSETS	
CURRENT ASSETS:	
Cash, including cash equivalents of $15,302	$ 146,103
Restricted cash	50,504
Accounts receivable, including retainage of $569,391	1,743,300
Costs and estimated earnings in excess of billings	831,826
Other current assets	66,023
Total current assets	2,837,756
PROPERTY AND EQUIPMENT:	
Land	41,382
Building and improvements	124,157
Construction equipment	444,153
Other equipment	181,717
	791,409
Less accumulated depreciation	(313,783)
Total property and equipment, net	477,626
GOODWILL	585,006
INTANGIBLE ASSETS, NET	92,997
OTHER ASSETS	45,235
TOTAL ASSETS	$ 4,038,620
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Current maturities of long-term debt	$ 85,890
Accounts payable, including retainage of $258,294	994,016
Billings in excess of costs and estimated earnings	331,112
Accrued expenses and other current liabilities	107,925
Total current liabilities	1,518,943
LONG-TERM DEBT, less current maturities, net of unamortized discount and debt issuance cost of $56,072	673,629
DEFERRED INCOME TAXES	131,007
OTHER LONG-TERM LIABILITIES	162,018
TOTAL LIABILITIES	2,485,597
STOCKHOLDERS' EQUITY:	
Preferred stock – authorized 1,000,000 shares ($1 par value), none issued	—
Common stock – authorized 75,000,000 shares ($1 par value), issued and outstanding 49,211,353 shares	49,211
Additional paid-in capital	1,075,600
Retained earnings	473,625
Accumulated other comprehensive loss	(45,413)
TOTAL STOCKHOLDERS' EQUITY	1,553,023
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,038,620

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

Cash Flows from Operating Activities:	
Net income	$ 95,822
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation	63,759
Amortization of intangible assets	3,543
Share-based compensation expense	13,423
Excess income tax benefit from share-based compensation	(269)
Change in debt discount and deferred debt issuance costs	10,968
Deferred income taxes	(10,169)
Loss on sale of property and equipment	453
Other long-term liabilities	28,210
Other non-cash items	(1,874)
Changes in other components of working capital	(90,530)
NET CASH PROVIDED BY OPERATING ACTIVITIES	113,336
Cash Flows from Investing Activities:	
Acquisition of property and equipment excluding financed purchases	(15,743)
Proceeds from sale of property and equipment	1,899
Change in restricted cash	(4,651)
NET CASH USED IN INVESTING ACTIVITIES	(18,495)
Cash Flows from Financing Activities:	
Issuance of convertible notes	200,000
Proceeds from debt	1,353,895
Repayment of debt	(1,562,684)
Excess income tax benefit from share-based compensation	269
Issuance of common stock and effect of cashless exercise	(584)
Debt issuance costs	(15,086)
NET CASH USED IN FINANCING ACTIVITIES	(24,190)
Net increase in cash and cash equivalents	70,651
Cash and cash equivalents at beginning of year	75,452
Cash and cash equivalents at end of year	$ 146,103

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance - December 31, 2015	$ 49,073	$ 1,035,516	$ 377,803	$ (42,165)	$ 1,420,227
Net income	—	—	95,822	—	95,822
Other comprehensive loss	—	—	—	(3,248)	(3,248)
Tax effect of share-based compensation	—	(457)	—	—	(457)
Share-based compensation expense	—	13,423	—	—	13,423
Issuance of common stock, net	138	676	—	—	814
Convertible note proceeds allocated to conversion option, net	—	26,442	—	—	26,442
Balance - December 31, 2016	$ 49,211	$ 1,075,600	$ 473,625	$ (45,413)	$ 1,553,023

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company frequently forms joint ventures or partnerships with unrelated third parties for the execution of single contracts or projects. The Company assesses its joint ventures or partnerships at inception to determine if they meet the qualifications of a variable interest entity ("VIE") in accordance with ASC 810, *Consolidation*. If a joint venture or partnership is a VIE and the Company is the primary beneficiary, the joint venture or partnership is fully consolidated. For construction joint ventures that do not need to be consolidated, the Company accounts for its interest in the joint ventures using the proportionate consolidation method, whereby the Company's proportionate share of the joint ventures' assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the Company's consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements; therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies construction-related receivables and payables that may be settled in periods exceeding one year from the balance sheet date as current, consistent with the length of time of its project operating cycle. For example:

- Costs and estimated earnings in excess of billings represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date and are classified as a current asset.
- Billings in excess of costs and estimated earnings represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date and are classified as a current liability.

Costs and estimated earnings in excess of billings result when either: 1) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract, or 2) costs are incurred related to certain claims and unapproved change orders. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when a change in the scope of work results in additional work being performed before the parties have agreed on the corresponding change in the contract price. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35-25 when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

Reported costs and estimated earnings in excess of billings as of December 31, 2016 consists of the following (in thousands):

Claims	$ 477,425
Unapproved change orders	207,475
Other unbilled costs and profits	146,926
Total costs and estimated earnings in excess of billings	$ 831,826

The prerequisite for billing claims and unapproved change orders is the final resolution and agreement between the parties. The prerequisite for billing other unbilled costs and profits is provided in the defined billing terms of each of the applicable contracts. The amount of costs and estimated earnings in excess of billings as of December 31, 2016 estimated by management to be collected beyond one year is approximately $414.7 million.

(e) Changes in Estimates

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management evaluates changes in estimates on a contract by contract basis and discloses significant changes, if material, in the notes to the consolidated financial statements. The cumulative catch-up method is used to account for revisions in estimates.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year, and between annual tests if events occur or circumstances change which suggest that goodwill should be reevaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. The Civil, Building and Specialty Contractors segments each represent a reporting unit. We perform our annual quantitative impairment assessment during the fourth quarter of each year using a weighted average of an income and a market approach. The income approach is based on estimated present value of future cash flows for each reporting unit. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2016 resulted in an estimated fair value for each of our reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for 2016.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if events occur or circumstances change which suggest that the non-amortizable trade names should be reevaluated. We perform our annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2016 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for 2016.

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(k) Earnings Per Share

Basic EPS is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Potentially dilutive securities include restricted stock units and stock options. Diluted EPS reflects the assumed exercise or conversion of all dilutive securities using the treasury stock method. The calculations of the basic and diluted EPS for the year ended December 31, 2016 are presented below (in thousands, except per share data):

Net income	$ 95,822
Weighted-average common shares outstanding — basic	49,150
Effect of diluted stock options and unvested restricted stock	714
Weighted-average common shares outstanding — diluted	49,864
Net income per share:	
Basic	$ 1.95
Diluted	$ 1.92
Anti-dilutive securities not included above	1,132

With regard to diluted EPS and the impact of the Convertible Notes (as discussed in Note 5) on the diluted EPS calculation, because the Company has the intent and ability to settle the principal amount of the Convertible Notes in cash, per ASC 260, *Earnings Per Share*, the settlement of the principal amount has no impact on diluted EPS. ASC 260 also requires any potential conversion premium associated with the Convertible Notes' conversion option to be considered in the calculation of diluted EPS when the Company's average stock price, as defined in the indenture governing the Convertible Notes, is higher than 130% of the Convertible Notes' conversion rate of 33.0579 (or $39.32); however, this was not the case during the year ended December 31, 2016.

(l) Cash and Cash Equivalents and Restricted Cash

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheet, consist of amounts held by the Company that are available for general purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint-venture-related uses, including future distributions to joint-venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit.

Cash and cash equivalents and restricted cash as of December 31, 2016 consisted of the following (in thousands):

Cash and cash equivalents	$ 49,539
Company's share of joint-venture cash and cash equivalents	96,564
Total cash and cash equivalents	$ 146,103
Restricted cash	$ 50,504

(m) Share-Based Compensation

The Company's long-term incentive plan allows the Company to grant share-based compensation awards in a variety of forms, including restricted and unrestricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period. Unrestricted stock units are issued to the directors as part of their annual service fee, vest immediately and are expensed over a 12-month service period.

(n) Insurance Liabilities

The Company typically utilizes third party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(o) Other Comprehensive Income (Loss)

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plans assets/liabilities, cumulative foreign currency translation, change in fair value of investments and change in fair value of interest rate swap as components of accumulated other comprehensive loss ("AOCI").

The tax effects of the components of other comprehensive loss for the year ended December 31, 2016 are as follows (in thousands):

	Before-Tax Amount	Tax Benefit	Net-of-Tax Amount
Other comprehensive loss:			
Defined benefit pension plan adjustments	$ (4,452)	$ 1,829	$ (2,623)
Foreign currency translation adjustment	(439)	178	(261)
Unrealized loss in fair value of investments	(576)	236	(340)
Unrealized loss in fair value of interest rate swap	(45)	21	(24)
Total other comprehensive loss	$ (5,512)	$ 2,264	$ (3,248)

The changes in AOCI balances by component (after-tax) for the year ended December 31, 2016 are as follows (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain (Loss) in Fair Value of Investments	Unrealized Gain (Loss) in Fair Value of Interest Rate Swap	Accumulated Other Comprehensive Loss
Balance as of December 31, 2015	$ (38,242)	$ (4,603)	$ 656	$ 24	$ (42,165)
Other comprehensive loss before reclassifications	(3,722)	(261)	(340)	(24)	(4,347)
Amounts reclassified from AOCI	1,099	—	—	—	1,099
Balance as of December 31, 2016	$ (40,865)	$ (4,864)	$ 316	$ —	$ (45,413)

The significant items reclassified out of AOCI during the year ended December 31, 2016 and the corresponding location and impact on the Consolidated Statement of Operations are as follows (in thousands):

Component of AOCI:	Location in Consolidated Statement of Operations	
Defined benefit pension plan adjustments	Various accounts	$ 1,745
Income tax benefit	Provision for income taxes	(646)
Net of tax		$ 1,099

(p) New Accounting Pronouncements

In May 2014, the FASB issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration to be received in exchange for those goods or services. The guidance will be effective for the Company as of January 1, 2018. The amendments may be applied retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application (modified retrospective method). The Company is currently reviewing contracts within types of projects in order to determine the impact, if any, the adoption of this ASU will have on its consolidated financial statements. A number of industry-specific implementation issues are still unresolved and the final resolution of certain of these issues could impact the Company's current accounting policies and/or revenue recognition patterns. The Company currently expects to adopt this new standard using the modified retrospective method.

In January 2017, The FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment.* This ASU simplifies the calculation of goodwill impairment by eliminating Step 2 of the impairment test prescribed by ASC 350. Step 2 requires companies to calculate the implied fair value of their goodwill by estimating the fair value of their assets, other than goodwill, and liabilities, including unrecognized assets and liabilities, following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. The calculated net fair value of the assets would then be compared to the fair value of the reporting unit to determine the implied fair value of goodwill, and to the extent that the carrying value of goodwill was less than the implied fair value, a loss would be recognized. Under ASU 2017-04, however, goodwill is impaired when the calculated fair value of a reporting unit is less than its carrying value, and the impairment charge will equal that difference; i.e., impairment will be calculated at the reporting unit level and there will be no need to estimate the fair value of individual assets and liabilities. This guidance will be effective for the Company for any goodwill impairment tests performed in fiscal years beginning after December 15, 2019, however, early adoption is permitted for tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In the first quarter of 2016, the Company adopted ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30)* and applied the guidance retrospectively. This ASU requires companies to present, in the balance sheet, debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability, consistent with the presentation of debt discounts. In addition, the amortization of debt discounts is required to be presented as a component of interest expense.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic-842),* which amends the existing guidance in ASC 840 *Leases.* This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This guidance will be effective for the Company as of January 1, 2019 and will be applied using the modified retrospective transition method for existing leases. The Company is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

In the fourth quarter of 2016, the Company elected to early adopt ASU 2015-17, *Balance Sheet Classification of Deferred Taxes (Subtopic 740-10),* as allowed for by the guidance. This ASU requires entities to present all deferred tax assets and all deferred tax liabilities as noncurrent in a classified balance sheet. The Company applied the guidance retrospectively.

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes during the year ended December 31, 2016 (in thousands):

Decrease (Increase) in:	
Accounts receivable	$ (269,900)
Costs and estimated earnings in excess of billings	73,349
Other current assets	39,480
Increase (Decrease) in:	
Accounts payable	56,552
Billings in excess of costs and estimated earnings	42,926
Accrued expenses	(32,937)
Changes in other components of working capital	$ (90,530)
Cash paid during the year for:	
Interest	$ 47,403
Income taxes	$ 26,908

3. Fair Value Measurements

The fair value hierarchy established by ASC 820, *Fair Value Measurement*, prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 — quoted prices in active markets for identical assets and liabilities
Level 2 — inputs other than Level 1 inputs that are observable, either directly or indirectly
Level 3 — unobservable inputs

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2016 (in thousands):

	Fair Value Hierarchy			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents [(a)]	$ 146,103	$ 146,103	$ —	$ —
Restricted cash [(a)]	50,504	50,504	—	—
Investments in lieu of customer retainage [(b)]	51,266	46,855	4,411	—
Total	$ 247,873	$ 243,462	$ 4,411	$ —

(a) Cash, cash equivalents and restricted cash consists primarily of money market funds with original maturity dates of three months or less measured using quoted market prices.
(b) Investments in lieu of customer retainage are classified as accounts receivable and are comprised of money market funds, U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa3 or better. The fair value of money market funds is measured using quoted market prices; therefore they are classified as Level 1 assets. The fair values of the U.S. Treasury Notes and municipal bonds are measured using readily available pricing sources for comparable instruments; therefore, they are classified as Level 2 assets.

The Company did not have material transfers between Levels 1 and 2 for either financial assets or liabilities during the year ended December 31, 2016.

The carrying values of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. Of the Company's long-term debt, the fair value of the 2010 Notes as of December 31, 2016 was $302.6 million and the fair value of the Convertible Notes was $228.4 million as of December 31, 2016; the fair values were determined using Level 1 inputs, specifically current observable market prices. The reported value of the Company's remaining long-term debt at December 31, 2016 approximates fair value.

The fair value of the liability component of the Convertible Notes as of the issuance date of June 15, 2016 was $153.2 million, which was determined using a binomial lattice approach based on Level 2 inputs, specifically quoted prices in active markets for similar debt instruments that do not have a conversion feature. See Note 5 for additional information related to the Company's Convertible Notes.

4. Goodwill and Other Intangible Assets

As of December 31, 2016, the Company had $585.0 million of goodwill allocated to its reporting units as follows: Civil, $415.3 million; Building, $13.5 million; and Specialty Contractors, $156.2 million. The balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

In addition, as of December 31, 2016, the Company had the following: (1) non-amortizable trade names with a carrying value of $50.4 million; (2) amortizable trade names with a gross carrying value of $51.1 million and accumulated amortization of $13.8 million; and (3) amortizable customer relationships with a gross carrying value of $23.2 million and accumulated amortization of $17.9 million.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2016 totaled $3.5 million. Future amortization expense related to amortizable intangible assets will be approximately $3.5 million per year for the years 2017 through 2021.

The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 12 years, respectively.

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2016 consists of the following (in thousands):

Term Loan	$ 54,650
2014 Revolver	147,990
2010 Notes	298,120
Convertible Notes	152,668
Equipment financing and mortgages	101,558
Other indebtedness	4,533
Total debt	759,519
Less – current maturities	(85,890)
Long-term debt, net	$ 673,629

The following table reconciles the outstanding debt balance to the reported debt balances as of December 31, 2016 (in thousands):

	As of December 31, 2016		
	Outstanding Long-Term Debt	Unamortized Discount and Issuance Cost	Long-Term Debt, as reported
Term Loan	$ 57,000	$ (2,350)	$ 54,650
2014 Revolver	152,500	(4,510)	147,990
2010 Notes	300,000	(1,880)	298,120
Convertible Notes	200,000	(47,332)	152,668

2014 Credit Facility

On June 5, 2014, the Company entered into a Sixth Amended and Restated Credit Agreement (the "Original Facility," with subsequent amendments discussed herein, the "2014 Credit Facility") with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. The 2014 Credit Facility provides for a $300 million revolving credit facility (the "2014 Revolver"), a $250 million Term Loan (the "Term Loan") and a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million, all maturing on May 1, 2018. Borrowings under both the 2014 Revolver and the Term Loan bear interest based on either on Bank of America's prime lending rate or the London Interbank Offered Rate ("LIBOR"), each plus an applicable margin ranging from 1.25% to 3.00% contingent upon the latest Consolidated Leverage Ratio.

During the first half of 2016, the Company entered into two amendments to the Original Facility (the "Amendments"): Waiver and Amendment No. 1, entered into on February 26, 2016 ("Amendment No. 1"), and Consent and Amendment No. 2, entered into on June 8, 2016 ("Amendment No. 2"). In Amendment No. 1, the lenders waived the Company's violation of its consolidated leverage ratio covenant and consolidated fixed charge coverage ratio covenant. These violations were the result of the Company's financial results for the year ended December 31, 2015, which included the previously reported $23.9 million non-cash, pre-tax charge related to an adverse ruling on the Brightwater litigation matter in the third quarter of 2015, as well as $45.6 million of pre-tax charges in the third and fourth quarters of 2015 for various Five Star Electric projects. In Amendment No. 2, the lenders consented to the issuance of the Convertible Notes subject to certain conditions, including the prepayment of $125 million on the Term Loan and the paydown of $69 million on the 2014 Revolver, and consented to a potential sale transaction of one of the Company's business units in its Building segment, which the Company later decided not to sell.

In addition to the Amendments' provisions discussed above, the Amendments also modified other provisions and added new provisions to the Original Facility, and Amendment No. 2 superseded and modified some of the provisions of Amendment No. 1. The following reflects the more significant changes to the Original Facility and the results of the Amendments that are now reflected in the 2014 Credit Facility. Unless otherwise noted, the changes below were primarily the result of Amendment No. 1: (1) The Company may utilize LIBOR-based borrowings. (Amendment No. 1 precluded the use of LIBOR-based borrowings until the Company filed its compliance certificate for the fourth quarter of 2016; however, Amendment No. 2 negated this preclusion.) (2) The Company is subject to an increased rate on borrowings, with such rate being 100 basis points higher than the highest rate under the Original Facility if the Company's consolidated leverage ratio is greater than 3.50:1.00 but not more than 4.00:1.00, and an additional 100 basis points higher if the Company's consolidated leverage ratio is greater than 4.00:1.00. (3) The Company will be subject to increased commitment fees if the Company's consolidated leverage ratio is greater than 3.50:1.00. (4) The impact of the Brightwater litigation matter in the third quarter of 2015 is to be excluded from the calculation of the Company's consolidated leverage ratio and consolidated fixed charge coverage ratio covenants. (5) Interest payments are due on a monthly basis; however, if the Company is in compliance with its consolidated leverage ratio and consolidated fixed charge coverage ratio covenants provided in the Original Facility as of December 31, 2016, the timing of interest payments will revert to the terms of the Original Facility. As of December 31, 2016, the Company is in compliance with its consolidated leverage ratio and consolidated fixed charge coverage ratio covenants provided in the Original Facility and the timing of our interest payments reverted back to the terms of the Original Facility, quarterly for the Term Loan and base rate borrowings and upon maturity for Eurodollar borrowings. (6) The accordion feature of the Original Facility, which would have allowed either an increase of $300 million in the 2014 Revolver or the establishment of one or more new term loan commitments, is no longer available. (7) The Company's maximum allowable consolidated leverage ratio was increased to 4.25:1.00 for the first, second and third quarters of 2016 after which it returns to the Original Facility's range of 3.25:1.00 to 3.00:1.00. (Amendment No. 1 increased the Company's maximum allowable consolidated leverage ratio covenant requirements to 4.25:1.00 for the first quarter of 2016 and 4.0:1.0 for the second and third quarters of 2016. Amendment No. 2 increased the maximum allowable consolidated leverage ratio covenant requirements to 4.25:1.00 for the second and third quarters of 2016.) (8) The Company is subject to additional covenants regarding its liquidity, including a cap on the cash balance in the Company's bank account and a weekly minimum liquidity requirement (based on specified available cash balances and availability under the 2014 Revolver). (9) The Company is required to achieve certain cumulative quarterly cash collection milestones, which were eased somewhat in Amendment No. 2. (10) The Company is required to make additional quarterly principal payments, which will be applied to the Term Loan balloon payment, with some of the payments based on a percentage of certain forecasted cash collections for the prior quarter. This change was effective in the fourth quarter of 2016. (11) The lenders' collateral package was increased by pledging to the lenders (i) the equity interests of each direct domestic subsidiary of the Company and (ii) 65% of the stock of each material first-tier foreign restricted subsidiary of the Company. (12) The 2014 Credit Facility will now mature on May 1, 2018, as opposed to June 5, 2019, the maturity date of the Original Facility.

As of December 31, 2016, there was $147.3 million available under the 2014 Revolver and the Company had utilized the 2014 Credit Facility for letters of credit in the amount of $0.2 million. The Company was in compliance with the financial covenants under the 2014 Credit Facility for the period ended December 31, 2016. As of December 31, 2016, the effective interest rate on the Term Loan and the 2014 Revolver was 4.68% and 5.05%, respectively.

2010 Senior Notes

In October 2010, the Company issued $300 million of 7.625% Senior Notes due November 1, 2018 (the "2010 Notes") in a private placement offering. Interest on the 2010 Notes is payable semi-annually on May 1 and November 1 of each year. The Company may redeem the 2010 Notes at par beginning on November 1, 2016, which was not exercised as of December 31, 2016. At the date of any redemption, any accrued and unpaid interest would also be due.

Convertible Notes

On June 15, 2016, the Company issued $200 million of 2.875% Convertible Senior Notes due June 15, 2021 (the "Convertible Notes") in a private placement offering.

To account for the Convertible Notes, the Company applied the provisions of ASC 470-20, *Debt with Conversion and Other Options*. ASC 470-20 requires issuers of certain convertible debt instruments that may be settled in cash upon conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate. This is done by allocating the proceeds from issuance to the liability component based on the fair value of the debt instrument excluding the conversion feature, with the residual allocated to the equity component and classified in additional paid in capital. The $46.8 million difference between the principal amount of the Convertible Notes ($200.0 million) and the proceeds allocated to the liability component ($153.2 million) is treated as a discount on the Convertible Notes. This difference is being amortized as non-cash interest expense using the interest method, as discussed below under *Interest Expense*. The equity component, however, is not subject to amortization nor subsequent remeasurement.

In addition, ASC 470-20 requires that the debt issuance costs associated with a convertible debt instrument be allocated between the liability and equity components in proportion to the allocation of the debt proceeds between these two components. The debt issuance costs attributable to the liability component of the Convertible Notes ($5.1 million) are also treated as a discount on the Convertible Notes and amortized as non-cash interest expense. The debt issuance costs attributable to the equity component ($1.5 million) were netted with the equity component and will not be amortized.

The following table presents information related to the liability and equity components of the Convertible Notes as of December 31, 2016 (in thousands):

Liability component:	
Principal	$ 200,000
Conversion feature	(46,800)
Allocated debt issuance costs	(5,051)
Amortization of discount and debt issuance costs (non-cash interest expense)	4,519
Net carrying amount	$ 152,668
Equity component:	
Conversion feature	$ 46,800
Allocated debt issuance costs	(1,543)
Net deferred tax liability	(18,815)
Net carrying amount	$ 26,442

The Convertible Notes, governed by the terms of an indenture between the Company and Wilmington Trust, National Association, as trustee, are unsecured obligations and do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Company. The Convertible Notes bear interest at a rate of 2.875% per year, payable in cash semiannually in June and December.

Prior to January 15, 2021, the Convertible Notes will be convertible only under the following circumstances: (1) during the five business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of Convertible Notes for such trading day was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (2) during any calendar quarter commencing after the calendar quarter ending on September 30, 2016, if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion rate of 33.0579 (or $39.32), on each applicable trading day; or (3) upon the occurrence of specified corporate events. On or after January 15, 2021 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes, in multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.

The Convertible Notes will be convertible at an initial conversion rate of 33.0579 shares of the Company's common stock per $1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately $30.25. The conversion rate will be subject to adjustment for some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, the Company is required to increase, in certain circumstances, the conversion rate for a holder who elects to convert their Convertible Notes in connection with such a corporate event including customary conversion rate adjustments in connection with a "make-whole fundamental change" described in the indenture. Upon conversion, and at the Company's election, the Company may satisfy its conversion obligation by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock. As of December 31, 2016, none of the conversion provisions of the Convertible Notes have been triggered.

Equipment Financing and Mortgages

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $84.9 million at December 31, 2016 with interest rates ranging from 1.90% to 5.93% with equal monthly installment payments over periods up to ten years with additional balloon payments of $12.4 million in 2021 and $6.3 million in 2022 on the remaining loans outstanding at December 31, 2016. The aggregate balance of mortgage loans was approximately $16.7 million at December 31, 2016 with interest rates ranging from a fixed 2.50% to LIBOR plus 3% and equal monthly installment payments over periods up to seven years with additional balloon payments of $2.6 million in 2018, $2.9 million in 2021 and $6.7 million in 2023.

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above, including the terms of the Amendments (in thousands).

Year	
2017	$ 85,890
2018	478,583
2019	12,294
2020	5,378
2021	218,923
Thereafter	14,523
	815,591
Less: Unamortized Discount and Issuance Cost	(56,072)
Total	$ 759,519

Interest Expense

Interest Expense as reported in the Consolidated Statement of Operations for the year ended December 31, 2016 consists of the following (in thousands):

Cash interest expense:	
Interest on 2014 Credit Facility	$ 19,201
Interest on 2010 Senior Notes	22,875
Interest on Convertible Notes	3,115
Other interest	3,623
Total cash interest expense	48,814
Non-cash interest expense:[(a)]	
Amortization of debt issuance costs on 2014 Credit Facility	5,447
Amortization of discount and debt issuance costs on 2010 Senior Notes	1,002
Amortization of discount and debt issuance costs on Convertible Notes	4,519
Total non-cash interest expense	10,968
Total cash and non-cash interest expense	$ 59,782

(a) Non-cash interest expense produces effective interest rates that are higher than contractual rates; accordingly, the effective interest rates for the 2014 Credit Facility, the 2010 Senior Notes and the Convertible Notes are 9.86%, 7.99% and 9.39%, respectively.

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancellable operating leases, with future minimum rent payments as of December 31, 2016 as follows (in thousands):

Year	
2017	$ 22,950
2018	13,612
2019	9,983
2020	7,417
2021	5,455
Thereafter	19,260
	78,677
Less - Sublease rental agreements	(3,150)
Total	$ 75,527

Rental expense under operating leases of construction equipment, vehicles and office space was $28.2 million in 2016.

6. Income Taxes

Income before taxes for the year ended December 31, 2016 is summarized as follows (in thousands):

United States Operations	$ 128,072
Foreign Operations	21,043
Total	$ 149,115

The provision for income taxes for the year ended December 31, 2016 is as follows (in thousands):

Current expense:	
Federal	$ 43,850
State	13,039
Foreign	6,573
Total current	63,462
Deferred (benefit) expense:	
Federal	(3,054)
State	(5,302)
Foreign	(1,813)
Total deferred	(10,169)
Total provision	$ 53,293

The following table is a reconciliation of the Company's provision for income taxes at the statutory rates to the provision for income taxes at the Company's effective rate for the year ended December 31, 2016 (dollars in thousands).

	Amount	Rate
Federal income expense at statutory tax rate	$ 52,190	35.0 %
State income taxes, net of federal tax benefit	5,972	4.0
Officers' compensation	3,807	2.6
Domestic Production Activities Deduction	(4,018)	(2.7)
Impact of state tax rate changes on deferred taxes	(1,358)	(0.9)
Other	(3,300)	(2.3)
Provision for income taxes	$ 53,293	35.7 %

The Company's provision for income taxes and effective tax rate for the year ended December 31, 2016 were significantly impacted by rate changes associated with shifts of revenue affecting state apportionment as well as various return-to-provision and depreciation adjustments. The decrease in the state rate was applied to deferred tax balances, which further decreased the effective rate.

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2016 (in thousands):

Deferred Tax Assets	
Timing of expense recognition	$ 36,055
Net operating losses	10,140
Other, net	33,507
Deferred tax assets	79,702
Valuation allowance	(460)
Net deferred tax assets	79,242
Deferred Tax Liabilities	
Intangible assets, due primarily to purchase accounting	(34,679)
Fixed assets, due primarily to purchase accounting	(107,081)
Construction contract accounting	(12,564)
Joint ventures - construction	(29,609)
Other	(24,970)
Deferred tax liabilities	(208,903)
Net deferred tax liability	$ (129,661)

The net deferred tax liability as of December 31, 2016 is presented in the Consolidated Balance Sheet as follows (in thousands):

Deferred tax asset	$ 1,346
Deferred tax liability	(131,007)
Net deferred tax liability	$ (129,661)

The Company had a valuation allowance of $0.5 million as of December 31, 2016 for federal and state capital loss carryforwards as the ultimate utilization of this item was not likely.

The Company has not provided for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings aggregating $19.7 million which the Company has the intent and the ability to reinvest in its foreign operations. Generally, the U.S. income taxes imposed upon repatriation of undistributed earnings would be reduced by foreign tax credits from foreign income taxes paid on the earnings. Determination of the deferred income tax liability on these basis differences is not reasonably estimable because such liability, if any, is dependent on circumstances existing if and when remittance occurs.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total amount of gross unrecognized tax benefits as of December 31, 2016 that, if recognized, would affect the effective tax rate is $7.6 million. During 2016, the Company recognized a net increase of $4.0 million in liabilities. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2016 is as follows (in thousands):

Beginning balance	$ 3,612
Change in tax positions of prior years	3,543
Change in tax positions of current year	419
Reduction in tax positions for statute expirations	—
Ending Balance	$ 7,574

We conduct business internationally and, as a result, one or more of our subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, we are subject to examination by taxing authorities principally throughout the United States, Guam and Canada. We are no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

7. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, assets and liabilities may change in the future due to various factors. Management believes that, based on current information and discussions with the Company's legal counsel, the ultimate resolution of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of the more significant matters.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange project for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and affirmative counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Fontainebleau Matter

Desert Mechanical Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada (the "District Court"), and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The Bankruptcy Court appointed a mediator to facilitate the execution of that settlement agreement. Settlement discussions are ongoing.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud.

In January 2017, the Court granted the City's motion for summary judgment and dismissed the Company's claim against the City of New York. The Company has filed a notice of appeal. The Court also granted the Company's motion for summary judgment for release of retention plus interest from 2010 for an aggregate amount of approximately $1.1 million.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a timeshare development project in Las Vegas which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million, and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH has paid $0.6 million of that judgment. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. The awards are not offsetting. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. The Nevada Supreme Court has not yet ruled on this matter.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010, and was substantially completed in September 2012. R&S incurred significant additional costs as a result of a design that contained errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work.

R&S has filed three certified claims against NOAA for contract adjustments related to the unresolved Owner change orders, delays, design deficiencies and other claims. The First Certified Claim was submitted on August 20, 2013, in the amount of $26.8 million

("First Certified Claim") and the Second Certified Claim was submitted on October 30, 2013, in the amount of $2.6 million ("Second Certified Claim") and the Third Certified Claim was submitted on October 1, 2014 in the amount of $0.7 million ("Third Certified Claim").

NOAA requested an extension to issue a decision on the First Certified Claim and on the Third Certified Claim, but did not request an extension of time to review the Second Certified Claim. On January 6, 2014, R&S filed suit in the United States Federal Court of Claims on the Second Certified Claim plus interest and attorney's fees and costs. This was followed by a submission of a lawsuit on the First Certified Claim on July 31, 2014. In February 2015, the Court denied NOAA's motion to dismiss the Second Certified Claim. In March 2015, the Contracting Officer issued decisions on all Claims accepting a total of approximately $1.0 million of claims and denying approximately $29.5 million of claims. On April 14, 2015, the Court consolidated the cases. Trial is scheduled to commence in December 2017.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp. ("Five Star"), a subsidiary of the Company that was acquired in 2011, entered into a tolling agreement related to an ongoing investigation being conducted by the United States Attorney for the Eastern District of New York ("USAO EDNY"). The tolling agreement extended the statute of limitations to avoid the expiration of any unexpired statute of limitations while the investigation is pending. Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has been providing information related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and, in addition, most recently, information regarding certain of Five Star's employee compensation, benefit and tax practices. The investigation covers the period of 2005-2014.

The Company cannot predict the ultimate outcome of the investigation and cannot accurately estimate any potential liability that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel requires the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM is insured under a Builder's Risk Insurance Policy ("the Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the insurer and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington ("Washington Superior Court") seeking declaratory relief concerning contract interpretation as well as damages as a result of the Insurers' breach of its obligations under the terms of the Policy. WSDOT is deemed a plaintiff since WSDOT is an insured under the Policy and had filed its own claim for damages. Hitachi, the manufacturer of the TBM, has also joined the case as a plaintiff for costs incurred to repair the damages to the TBM. Trial is scheduled for June 2018.

In March 2016, WSDOT filed a complaint against STP in Thurston County Superior Court for breach of contract alleging STP's delays and failure to perform and declaratory relief concerning contract interpretation. STP filed its answer to WSDOT's complaint and filed a counterclaim against WSDOT and against the manufacturer of the TBM. Trial is set for June 2018.

As of December 31, 2016, the Company has concluded that the potential for a material adverse financial impact due to the Insurer's and WSDOT's respective legal actions is neither probable nor remote. With respect to STP's counterclaim, management has included an estimate of the total anticipated recovery, concluded to be both probable and reliably estimable, in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

8. Share-Based Compensation

The Amended and Restated Tutor Perini Corporation Long-Term Incentive Plan (the "Plan") provides for various types of share-based grants, including restricted and unrestricted stock units and stock options. Restricted and unrestricted stock units give the holder the right to exchange their stock units for shares of the Company's common stock on a one-for-one basis. Stock options give the holder the right to purchase shares of the Company's common stock at an exercise price equal to the fair value of the Company's common stock on the date of the stock option's award. Restricted stock units and stock options are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied; however, unrestricted stock units have no such restrictions. The term for stock options is limited to 10 years from the date of grant. As of December 31, 2016, there were 327,584 shares available to be granted under the Company's share-based compensation plan.

Many of the awards issued under the Plan contain separate tranches, each for a separate performance period and each with a performance target to be established subsequent to the award date; accordingly, the tranches are accounted for under ASC 718 *Stock Compensation* ("ASC 718") as separate grants, with the grant date being the date the performance targets for a given tranche are established and communicated to the grantee. Similarly, for these awards, compliance with the requirements of the Plan is also based on the number of units granted in a given year, as determined by ASC 718, rather than the number of units awarded in a given year. As a result, as of December 31, 2016, the Company had outstanding awards with 448,000 restricted stock units and 448,000 stock options that had not been granted yet. These units will be granted in 2017, 2018 and 2019 when the performance targets for those respective years are established.

The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2016:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/ (Strike) Price Per Share
Outstanding as of December 31, 2015	725,597	$ 25.28	1,998,000	$ 19.62
Granted	483,387	19.14	274,000	16.20
Vested/exercised	(52,500)	18.74	(97,500)	12.72
Outstanding as of December 31, 2016	1,156,484	$ 22.64	2,174,500	$ 19.50

The following table summarizes unrestricted stock units issued to the members of the Company's Board of Directors during the year ended December 31, 2016 as part of their annual retainers:

	Unrestricted Stock Units	
Year	Number	Weighted-Average Grant Date Fair Value Per Share
2016	64,603	$21.67

The fair value of unrestricted stock units issued during 2016 was approximately $1.4 million.

The fair value of restricted stock units that vested during 2016 was approximately $1.0 million. The aggregate intrinsic value, representing the difference between the market value on the date of exercise and the option price of the stock options exercised during 2016 was $1.1 million. As of December 31, 2016, the balance of unamortized restricted stock and stock option expense was $6.5 million and $0.7 million, respectively, which will be recognized over weighted-average periods of 1.3 years for restricted stock units and 0.5 years for stock options.

The 2,174,500 outstanding stock options as of December 31, 2016 had an intrinsic value of $18.5 million and a weighted-average remaining contractual life of 4.3 years. Of those outstanding options: 1) 1,402,500 were exercisable with an intrinsic value of $11.3 million, a weighted-average exercise price of $19.95 per share and a weighted-average remaining contractual life of 3.1 years; and

2) 772,000 have been granted but have not vested, of which 756,876 are expected to vest and have an intrinsic value of $7.2 million, a weighted-average exercise price of $18.49 and a weighted-average remaining contractual life of 6.5 years.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2016 are as follows:

Total stock options granted		274,000
Weighted-average grant date fair value	$	5.31
Weighted-average assumptions:		
Risk-Free Rate		1.2 %
Expected life of options[(a)]		4.2
Expected volatility[(b)]		40.6 %
Expected quarterly dividends	$	—

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's common stock over periods commensurate with the expected life of the option.

For the year ended December 31, 2016, the Company recognized, as part of general and administrative expense, costs for stock-based payment arrangements for both employees of $13.4 million and non-employee directors of $1.4 million with related aggregate tax benefit of $6.1 million.

9. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its year-end as its measurement date to determine the funded status of the plan.

The long-term investment goals of our plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The pension plan's assets are managed by a third-party investment manager. The Company monitors investment performance and risk on an ongoing basis.

A summary of net periodic benefit cost for the year ended December 31, 2016 is as follows (in thousands):

Interest cost	$ 4,153
Service cost	600
Expected return on plan assets	(4,803)
Recognized net actuarial losses	1,745
Net periodic benefit cost	$ 1,695
Actuarial assumptions used to determine net cost:	
Discount rate	4.10 %
Expected return on assets	6.00 %
Rate of increase in compensation	N/A

The target asset allocation for the Company's pension plan by asset category for 2017 and the actual asset allocation as of December 31, 2016 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	**Target Allocation 2017**	**Actual Allocation 2016**
Cash	5 %	4 %
Equity securities:		
Domestic	50	47
International	25	28
Fixed income securities	20	21
Total	100 %	100 %

As of December 31, 2016, plan assets included approximately $39.1 million of investments in hedge funds and equity partnerships which do not have readily determinable fair values. The underlying holdings of the funds were comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $2.6 million to its defined benefit pension plan in 2017.

Future benefit payments under the plans are estimated as follows (in thousands):

Year ended December 31,	
2017	$ 6,488
2018	6,632
2019	6,691
2020	6,717
2021	6,732
Thereafter	32,722
Total	$ 65,982

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2016, and a summary of the funded status as of December 31, 2016 (in thousands).

Change in Fair Value of Plan Assets	
Balance at beginning of year	$ 72,296
Actual return on plan assets	(1,909)
Company contribution	2,025
Benefit payments	(6,355)
Balance at end of year	$ 66,057

Change in Benefit Obligations	
Balance at beginning of year	$ 105,942
Interest cost	4,153
Service cost	600
Assumption change (gain) loss	308
Actuarial (gain) loss	(967)
Benefit payments	(6,355)
Balance at end of year	$ 103,681

Funded status	$	(37,624)
Amounts recognized in Consolidated Balance Sheet consist of:		
Current liabilities	$	(271)
Long-term liabilities		(37,353)
Net amount recognized in Consolidated Balance Sheet	$	(37,624)

Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss		
Net actuarial loss	$	(61,132)
Cumulative Company contributions in excess of net periodic benefit cost		23,508
Net amount recognized in Consolidated Balance Sheet	$	(37,624)

The change in actuarial loss during the period resulting from changed assumptions was $4.3 million in 2016.

The estimated amount of the net accumulated loss that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2017 is $1.8 million.

The discount rate used in determining the accumulated post-retirement benefit obligation was 3.9% as of December 31, 2016. The discount rate used for the accumulated post-retirement obligation was derived using a blend of U.S. Treasury and high-quality corporate bond discount rates.

The expected long-term rate of return on assets assumption was 6.0% for 2016. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the plans' target asset allocation and full availability of invested assets.

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy, equity partnerships and distressed credit.

Plan assets were measured at fair value. The following provides a description of the valuation techniques employed for each major asset class: Corporate equities were valued at the closing price reported on the active market on which the individual securities were purchased.

Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds were determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent. Corporate bonds were valued based on market values quoted by dealers who are market makers in these securities, and by independent pricing services which use multiple valuation techniques that incorporate available market information and proprietary valuation models using market characteristics, such as benchmark yield curve, coupon rates, credit spreads, estimated default rates and other features.

The following table sets forth the plan assets as of December 31, 2016 at fair value in accordance with the fair value hierarchy described in Note 3 (in thousands):

		Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,437	$ 2,437	$ —	$ —
Fixed Income	14,023	14,023	—	—
Equities	—	—	—	—
Mutual Funds	10,489	10,489	—	—
	$ 26,949	$ 26,949	$ —	$ —
Closely held funds[a]				
Equity Partnerships	6,931			
Hedge Fund Investments	32,177			
Total closely held funds[a]	39,108			
Total	$ 66,057	$ 26,949	$ —	$ —

(a) Closely held funds in private investment were measured at fair value using NAV and were not categorized in the fair value hierarchy. Although the investments were not categorized within the fair value hierarchy, the holdings of these private investment funds were comprised of a combination of Level 1, 2 and 3 investments, but were not categorized in the fair value hierarchy because they were measured at NAV using the practical expedient. This is a change from prior years' presentation as there is no longer a requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient.

The plans have benefit obligations in excess of the fair value of each plan's assets as of December 31, 2016 detailed as follows (in thousands):

	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 100,336	$ 3,345	$ 103,681
Accumulated benefit obligation	100,336	3,345	103,681
Fair value of plans' assets	66,057	—	66,057
Projected benefit obligation greater than fair value of plans' assets	$ 34,279	$ 3,345	$ 37,624
Accumulated benefit obligation greater than fair value of plans' assets	$ 34,279	$ 3,345	$ 37,624

Section 401(k) Plans

The Company has several contributory Section 401(k) plans which cover its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The 401(k) expense provision was $4.0 million for the year ended December 31, 2016. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by each plan.

Cash-Based Compensation Plans

The Company has multiple cash-based compensation plans and a share-based incentive compensation plan for key employees, which are generally based on the Company's achievement of a certain level of profit. For information on the Company's share-based incentive compensation plan, see Note 8.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

The following tables summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2016.

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status 2016	FIP/RP Status Pending Or Implemented	Company Contributions[a] (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
The Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Fund	13-6123601/001	Green	N/A	$15.8	No	5/31/2019
Laborers Pension Trust Fund for Northern California	94-6277608	Yellow	Implemented	5.6	No	6/30/2019
Carpenters Pension Trust Fund for Northern California	94-6050970	Red	Implemented	4.4	No	6/30/2019
Excavators Union Local 731 Pension Fund	13-1809825/002	Green	N/A	4.2	No	4/30/2022
Steamfitters Industry Pension Fund	13-6149680/001	Green	N/A	3.9	No	6/30/2017
Iron Workers Locals 40, 361 & 417 Pension Fund	51-6102576/001	Green	Implemented	3.8	No	6/30/2020
Local 147 Construction Workers Retirement Fund	13-6528181	Green	N/A	3.7	No	6/30/2018
Southern California Gunite Workers Pension Fund	95-4354179	Green	N/A	3.5	No	6/30/2019

(a) The Company's contributions as a percentage of total plan contributions were not available for any of our plans.

In addition to the individually significant plans described above, the Company also contributed approximately $38.8 million to other multiemployer pension plans during the year ended December 31, 2016.

10. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services: site work, concrete forming and placement, steel erection, electrical, mechanical, plumbing and heating, ventilation and air conditioning (HVAC). As described below, our business is conducted through three segments: Civil, Building and Specialty Contractors. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, tunnels, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services to a number of specialized building markets for private and public works customers, including the high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech markets.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of civil and building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides the Company with unique strengths and capabilities that allow the Company to position itself as a full-service contractor with greater control over scheduled work, project delivery and risk management.

The following table sets forth certain reportable segment information relating to the Company's operations for the year ended December 31, 2016 (in thousands).

	Reportable Segments					
	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total revenue	$ 1,830,857	$ 2,146,747	$ 1,234,272	$ 5,211,876	$ —	$ 5,211,876
Elimination of intersegment revenue	(161,894)	(76,906)	—	(238,800)	—	(238,800)
Revenue from external customers	$ 1,668,963	$ 2,069,841	$ 1,234,272	$ 4,973,076	$ —	$ 4,973,076
Income from construction operations	$ 172,668	$ 51,564	$ 37,908	$ 262,140	$ (60,220)[(a)]	$ 201,920
Capital expenditures	$ 13,541	$ 516	$ 1,005	$ 15,062	$ 681	$ 15,743
Depreciation and amortization [(b)]	$ 48,561	$ 2,186	$ 5,035	$ 55,782	$ 11,520	$ 67,302

(a) Consists primarily of corporate general and administrative expenses.
(b) Depreciation and amortization is included in income from construction operations.

During the year ended December 31, 2016, the Company recorded the following offsetting adjustments in the Specialty Contractors segment: a favorable adjustment of $14.0 million for a completed project ($0.17 per diluted share) and an unfavorable adjustment of $13.8 million for a project that is substantially complete ($0.16 per diluted share).

The above were the only changes in estimates considered material to the Company's results of operations during the period presented herein.

The following table sets forth the total assets for the reportable segments as of December 31, 2016 (in thousands).

Civil	$ 2,152,123
Building	917,317
Specialty Contractors	813,851
Corporate and other [(a)]	155,329
Total Assets	$ 4,038,620

(a) Consists principally of cash, equipment, tax-related assets and insurance-related assets, offset by the elimination of assets related to intersegment revenue.

Geographic Information

Information concerning principal geographic areas as of and for the year ended December 31, 2016 is as follows (in thousands):

Revenue:	
United States	$ 4,802,393
Foreign and U.S. territories	170,683
Total	$ 4,973,076
Assets:	
United States	$ 3,911,865
Foreign and U.S. territories	126,755
Total Assets	$ 4,038,620

Reconciliation of Segment Information to Consolidated Amounts

The following table reconciles segment results to the consolidated income before income taxes for the year ended December 31, 2016 (in thousands).

Income from construction operations	$ 201,920
Other income, net	6,977
Interest expense	(59,782)
Income before income taxes	$ 149,115

11. Related Party Transactions

The Company leases certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, at market lease rates. Under these leases the Company paid $2.8 million and recognized expense of $3.2 million for the year ended December 31, 2016.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company. The Company occasionally forms construction project joint ventures with O&G, and O&G often provides equipment and services for the projects on customary trade terms. Currently, the Company has a 30% interest in a joint venture for a highway construction project. The payments made by the joint venture to O&G during the year ended December 31, 2016 were immaterial.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance related services. The associated expense for services provided for the year ended December 31, 2016 was $8.9 million. The Company owed Alliant $5.2 million as of December 31, 2016 for services rendered.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS																	
CURRENT ASSETS:																	
Cash	$ 80,831	$ 1,021	$ 1,065	$ 17,492	$ 10,033	$ 47	$ 1	$ 1,169	$ —	$ —	$ 2,425	$ 303	$ 19,218	$ 12,297	$ 201	$ —	$ 146,103
Restricted cash	2,016	—	—	—	401	—	—	—	—	—	—	—	—	1,810	46,277	—	50,504
Accounts receivable, including retainage	405,095	44,727	26,405	78,445	78,831	11,989	108,352	21,141	293,516	96,813	42,813	13,741	29,050	615,519	108,382	(231,519)	1,743,300
Costs and estimated earnings in excess of billings	115,788	75,526	40,935	69,497	14,725	2,969	19,091	13,034	26,741	82,943	21,667	32,030	3,494	380,619	152	(67,385)	831,826
Intercompany notes and receivables	—	—	—	—	—	—	—	—	50,895	—	—	13,743	—	6	—	(64,644)	—
Other current assets	75,742	678	343	4,356	10,543	351	2,648	37	4,385	3,596	1,115	—	6,723	6,177	8,082	(58,753)	66,023
Total current assets	679,472	121,952	68,748	169,790	114,533	15,356	130,092	35,381	375,537	183,352	68,020	59,817	58,485	1,016,428	163,094	(422,301)	2,837,756
PROPERTY AND EQUIPMENT, at cost																	
Land	4,090	—	2,407	492	1,771	—	15,396	—	4,456	—	124	—	8,874	3,284	488	—	41,382
Building and improvements	22,160	—	4,421	1,798	2,663	—	23,547	852	13,236	1,888	3,907	—	12,346	24,015	13,324	—	124,157
Construction equipment	52,015	8,294	14,409	59,840	50,201	22,725	1,415	297	4,910	—	48	—	24,519	7,225	198,255	—	444,153
Other equipment	62,576	70,326	2,644	1	9,627	32	3,678	1,080	9,084	1,864	2,990	183	5,218	9,035	3,379	—	181,717
	140,841	78,620	23,881	62,131	64,262	22,757	44,036	2,229	31,686	3,752	7,069	183	50,957	43,559	215,446	—	791,409
Less accumulated depreciation	(66,103)	(24,262)	(10,836)	(23,270)	(26,909)	(4,032)	(8,083)	(1,599)	(19,123)	(2,492)	(3,583)	(90)	(21,726)	(18,681)	(82,994)	—	(313,783)
Total property and equipment, net	74,738	54,358	13,045	38,861	37,353	18,725	35,953	630	12,563	1,260	3,486	93	29,231	24,878	132,452	—	477,626
INTERCOMPANY NOTES AND RECEIVABLES	—	—	13,832	1	170,521	—	368,561	5,402	138,921	—	—	182,029	10,284	44,005	30,864	(964,420)	—
GOODWILL	571,519	—	—	—	—	—	—	—	—	—	—	—	—	13,487	—	—	585,006
INTANGIBLE ASSETS, NET	92,997	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	92,997
INVESTMENTS IN SUBSIDIARIES	1,812,845	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,812,845)	—
OTHER ASSETS	44,733	3,274	—	—	—	—	3	590	—	9,056	14,688	100	1,827	6,585	54	(35,667)	45,235
TOTAL ASSETS	$ 3,276,304	$ 179,584	$ 95,625	$ 208,652	$ 322,407	$ 34,081	$ 534,609	$ 42,003	$ 527,021	$ 193,668	$ 86,186	$ 242,039	$ 99,827	$ 1,105,383	$ 326,464	$ (3,235,233)	$ 4,038,620
LIABILITIES AND STOCKHOLDERS' EQUITY																	
CURRENT LIABILITIES:																	
Current maturities of long-term debt	$ 122,166	$ 2,426	$ —	$ 2,331	$ 2,973	$ 2,722	$ —	$ —	$ —	$ —	$ —	$ —	$ 700	$ 582	$ 11,998	$ (60,000)	$ 85,898
Accounts payable, including retainage	265,317	6,977	25,277	21,094	62,799	2,953	96,703	19,750	324,751	95,333	46,170	51,875	11,229	187,389	2,648	(226,249)	994,016
Billings in excess of costs and estimated earnings	102,373	—	13,328	12,391	11,586	88	2,081	708	36,748	951	10,773	6,702	15,461	118,763	19,730	(20,571)	331,112
Intercompany notes and advances payable-short term	13,697	—	—	—	—	—	—	—	—	—	—	—	—	—	50,941	(64,638)	—
Accrued expenses and other current liabilities	59,878	2,215	229	6,313	8,139	940	—	356	14,037	2,530	7,771	1,240	6,665	27,150	21,140	(50,678)	107,925
Total current liabilities	563,431	11,618	38,834	42,129	85,497	6,703	98,784	20,814	375,536	98,814	64,714	59,817	34,055	333,884	106,449	(422,136)	1,518,943
LONG TERM DEBT, less current maturities	614,607	20,677	—	637	3,972	9,339	—	—	—	—	—	—	5,036	9,036	16,320	(5,995)	673,629
DEFERRED INCOME TAXES	16,475	36,975	3,365	16,423	18,608	5,146	247	—	357	—	—	—	963	13,251	46,404	(27,207)	131,007
OTHER LONG-TERM LIABILITIES	111,108	1,727	—	—	—	—	—	567	—	—	—	—	—	—	48,619	(3)	162,018
INTERCOMPANY NOTES & ADVANCES PAYABLE	417,660	57,448	1,582	63,814	—	10,618	2,797	8	—	86,056	2,222	423	—	296,985	241	(939,854)	—
STOCKHOLDERS' EQUITY:																	
Treasury Stock-Perini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(658)	658	—
Common stock	49,211	—	7	1	2,231	10	95	4	11	—	3	1	1,499	7	711	(4,580)	49,211
Additional paid-in capital	1,075,600	27,406	1	56,297	37,167	—	—	279	6,303	10,000	22,439	—	16,251	226,117	188,319	(590,579)	1,075,600
Retained earnings (deficit)	473,625	23,733	51,836	36,206	174,932	2,265	432,686	20,331	144,814	(1,202)	(3,192)	181,798	43,591	226,054	(79,941)	(1,253,911)	473,625
Accumulated other comprehensive income (loss)	(45,413)	—	—	(6,855)	—	—	—	—	—	—	—	—	(1,568)	49	—	8,374	(45,413)
Total stockholders' equity	1,553,023	51,139	51,844	85,649	214,330	2,275	432,781	20,614	151,128	8,798	19,250	181,799	59,773	452,227	108,431	(1,840,038)	1,553,023
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,276,304	$ 179,584	$ 95,625	$ 208,652	$ 322,407	$ 34,081	$ 534,609	$ 42,003	$ 527,021	$ 193,668	$ 86,186	$ 242,039	$ 99,827	$ 1,105,383	$ 326,464	$ (3,235,233)	$ 4,038,620

NOTES
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture assets and liabilities are included in the respective amounts shown above.
(4) Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
(5) Specialty Contractors Group consists of the following subsidiaries. Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(6) Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 963,623	$ 25,615	$ 80,875	$ 251,333	$ 438,591	$ 15,990	$ 380,377	$ 26,568	$ 1,307,801	$ 161,871	$ 196,361	$ 89,875	$ 120,803	$ 1,234,273	$ 42,549	$ (363,429)	$ 4,973,076
COST OF OPERATIONS	(851,562)	(26,159)	(73,621)	(216,481)	(372,072)	(13,828)	(358,199)	(25,851)	(1,260,375)	(160,134)	(183,077)	(80,218)	(100,759)	(1,136,118)	(20,861)	363,429	(4,515,886)
GROSS PROFIT	112,061	(544)	7,254	34,852	66,519	2,162	22,178	717	47,426	1,737	13,284	9,657	20,044	98,155	21,688	—	457,190
General and administrative expenses	(85,017)	(44)	(4,008)	(14,024)	(14,540)	(2,439)	(14,628)	(1,309)	(20,294)	(5,497)	(8,159)	(6,485)	(8,497)	(68,367)	(1,962)	—	(255,270)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	27,044	(588)	3,246	20,828	51,979	(277)	7,550	(592)	27,132	(3,760)	5,125	3,172	11,547	29,788	19,726	—	201,920
Equity in earnings of subsidiaries	115,644	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(115,644)	—
Other income (expense), net	893	308	—	341	954	1,456	5	46	1	12	(2)	32	208	2,265	1,669	(1,211)	6,977
Interest expense	(58,788)	(31)	(1)	(95)	(245)	(458)	—	—	—	—	—	—	(187)	(337)	(851)	1,211	(59,782)
INCOME (LOSS) BEFORE INCOME TAXES	84,793	(311)	3,245	21,074	52,688	721	7,555	(546)	27,133	(3,748)	5,123	3,204	11,568	31,716	20,544	(115,644)	149,115
(Provision) benefit for income taxes	11,029	110	(1,159)	(7,532)	(18,830)	(258)	(2,699)	195	(9,697)	1,339	(1,832)	(1,145)	(4,135)	(11,336)	(7,343)	—	(53,293)
NET INCOME (LOSS)	$ 95,822	$ (201)	$ 2,086	$ 13,542	$ 33,858	$ 463	$ 4,856	$ (351)	$ 17,436	$ (2,409)	$ 3,291	$ 2,059	$ 7,433	$ 20,380	$ 13,201	$ (115,644)	$ 95,822

NOTES.
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Artech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
(5) The Company applied the consolidated effective tax rate when computing the tax provision of the respective consolidating entities.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2015	$ 377,803	$ 23,934	$ 49,750	$ 22,664	$ 141,074	$ 1,802	$ 427,830	$ 20,682	$ 127,378	$ 1,207	$ (6,483)	$ 179,739	$ 36,158	$ 205,674	$ (93,142)	$ (1,138,267)	$ 377,803
Net Income (loss)	95,822	(201)	2,086	13,542	33,858	463	4,856	(351)	17,436	(2,409)	3,291	2,059	7,433	20,380	13,201	(115,644)	95,822
BALANCE - December 31, 2016	$ 473,625	$ 23,733	$ 51,836	$ 36,206	$ 174,932	$ 2,265	$ 432,686	$ 20,331	$ 144,814	$ (1,202)	$ (3,192)	$ 181,798	$ 43,591	$ 226,054	$ (79,941)	$ (1,253,911)	$ 473,625

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting.
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities are included in the respective amounts shown above.
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES																	
Net income (loss)	$ 95,822	$ (201)	$ 2,086	$ 13,542	$ 33,858	$ 463	$ 4,856	$ (351)	$ 17,436	$ (2,409)	$ 3,291	$ 2,059	$ 7,433	$ 20,380	$ 13,201	$ (115,644)	$ 95,822
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	31,660	5,638	565	4,732	2,458	1,490	849	94	599	209	363	29	1,861	3,232	9,980	—	63,759
Amortization of intangible assets, change in debt discount and debt issuance costs	14,511	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	14,511
Equity in earnings of subsidiaries	(115,644)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	115,644	—
Share-based compensation expense	13,423	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13,423
Excess income tax benefit from stock-based compensation	(269)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(269)
Deferred income taxes	2,877	(38,288)	(1,726)	1,018	7,364	1,810	(4,565)	408	425	(13,917)	409	26	(10)	738	33,262	—	(10,169)
(Gain) loss on sale of property and equipment	138	—	31	—	(62)	88	—	—	2	—	4	—	168	(2)	86	—	453
Other long-term liabilities	4,768	—	—	—	—	—	(3)	(40)	(945)	—	—	—	—	—	24,430	—	28,210
Other non-cash items	(1,113)	347	—	243	—	—	—	—	—	—	(388)	—	(1,252)	18	—	271	(1,874)
Changes in other components of working capital	34,220	(18,010)	17,885	(13,355)	(46,178)	(3,134)	22,260	(9,076)	8,104	(33,854)	(2,635)	11,186	(1,255)	(27,095)	(29,617)	24	(90,530)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	80,393	(50,514)	18,841	6,189	(2,560)	717	23,397	(8,965)	25,621	(49,971)	1,044	13,300	6,945	(2,729)	51,342	295	113,336
CASH FLOWS FROM INVESTING ACTIVITIES																	
Acquisition of property and equipment, excluding financed purchase	(1,397)	—	(202)	(1,490)	(1,508)	(2,642)	—	(37)	(321)	(70)	(110)	(45)	(1,919)	(1,006)	(4,996)	—	(15,743)
Proceeds from sale of property and equipment	164	—	113	—	324	169	67	—	71	—	3	—	—	153	835	—	1,899
Change in restricted cash	1,353	—	—	—	(1)	—	—	—	—	—	330	—	—	746	(7,079)	—	(4,651)
(Increase) decrease in intercompany advances	—	—	(17,608)	—	18,464	—	(23,463)	8,640	(25,371)	—	—	(12,952)	4,072	(14,221)	—	62,439	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	120	—	(17,697)	(1,490)	17,279	(2,473)	(23,396)	8,603	(25,621)	(70)	223	(12,997)	2,153	(14,328)	(11,240)	62,439	(18,495)
CASH FLOWS FROM FINANCING ACTIVITIES																	
Issuance of convertible notes	200,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	200,000
Proceeds from debt	1,348,506	—	—	—	—	—	—	—	—	—	—	—	5,389	—	—	—	1,353,895
Repayment of debt	(1,523,579)	(2,426)	(79)	(8,660)	(6,830)	(2,674)	—	—	—	—	—	—	(6,152)	(588)	(11,696)	—	(1,562,684)
Excess income tax benefit from share-based compensation	269	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	269
Issuance of common stock and effect of cashless exercise	(584)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(584)
Debt issuance costs	(15,086)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(15,086)
Increase (decrease) in intercompany advances	(56,406)	53,122	—	6,944	—	4,379	—	—	—	50,041	(776)	—	—	27,906	(29,566)	(55,644)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(46,880)	50,696	(79)	(1,716)	(6,830)	1,705	—	—	—	50,041	(776)	—	(763)	27,318	(41,262)	(55,644)	(24,190)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	33,633	182	1,065	2,974	7,889	(51)	1	(362)	—	—	491	303	8,335	10,261	(1,160)	7,090	70,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	47,198	839	—	14,518	2,144	98	—	1,531	—	—	1,934	—	10,883	2,036	1,361	(7,090)	75,452
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 80,831	$ 1,021	$ 1,065	$ 17,492	$ 10,033	$ 47	$ 1	$ 1,169	$ —	$ —	$ 2,425	$ 303	$ 19,218	$ 12,297	$ 201	$ —	$ 146,103
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 45,177	$ 31	$ 1	$ 99	$ 245	$ 459	$ —	$ —	$ —	$ —	$ —	$ —	$ 183	$ 337	$ 871	$ —	$ 47,403
Income taxes	$ 20,553	$ 1,438	$ —	$ 897	$ —	$ —	$ —	$ —	$ 2	$ —	$ —	$ 18	$ —	$ —	$ 4,000	$ —	$ 26,908

NOTES:
(1) Investments in subsidiaries are accounted for under the equity method of accounting
(2) Tutor Perini Corp. includes the following: Tutor Perini Corp., TPC Civil-West, TPC Civil-Metro and TPC Civil-East.
(3) Proportional share of joint venture activities are included in the respective amounts shown above
(4) Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Anteck Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company
(5) Consolidating Statement of Cash Flows does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.

Tutor Perini Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Consolidating Information for Tutor Perini's General Contractor Subsidiaries as of and for the Year Ended December 31, 2015, and Independent Auditors' Report

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Tutor Perini Corporation
Sylmar, CA

We have audited the accompanying consolidated balance sheet of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2015, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the year ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Tutor Perini Corporation and subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

The supplemental consolidating information on pages 31–34 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental consolidating information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental consolidating information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental consolidating information. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

February 29, 2016

(April 11, 2016 as to the supplemental consolidating information)

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands, except per share data)

REVENUE	$	4,920,472
COST OF OPERATIONS		(4,564,219)
GROSS PROFIT		356,253
General and administrative expenses		(250,840)
INCOME FROM CONSTRUCTION OPERATIONS		105,413
Other income, net		12,453
Interest expense		(44,027)
INCOME BEFORE INCOME TAXES		73,839
Provision for income taxes		(28,547)
NET INCOME	$	45,292
BASIC EARNINGS PER COMMON SHARE	$	0.92
DILUTED EARNINGS PER COMMON SHARE	$	0.91
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:		
BASIC		48,981
DILUTED		49,666

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

NET INCOME	$	45,292
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Defined benefit pension plan adjustments		2,026
Foreign currency translation adjustment		(3,214)
Unrealized gain in fair value of investments		766
Unrealized loss in fair value of interest rate swap		(125)
Total other comprehensive loss, net of tax	$	(547)
TOTAL COMPREHENSIVE INCOME	$	44,745

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2015
(In thousands, except share data)

ASSETS		
CURRENT ASSETS:		
Cash, including cash equivalents of $1,696	$	75,452
Restricted cash		45,853
Accounts receivable, including retainage of $484,255		1,473,615
Costs and estimated earnings in excess of billings		905,175
Deferred income taxes		26,306
Other current assets		108,844
Total current assets		2,635,245
PROPERTY AND EQUIPMENT, at cost:		
Land		41,382
Building and improvements		123,600
Construction equipment		431,080
Other equipment		181,940
		778,002
Less - Accumulated depreciation		254,477
Total property and equipment, net		523,525
GOODWILL		585,006
INTANGIBLE ASSETS, NET		96,540
OTHER ASSETS		202,125
TOTAL ASSETS	$	4,042,441
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$	88,917
Accounts payable, including retainage		937,464
Billings in excess of costs and estimated earnings		288,311
Accrued expenses and other current liabilities		159,016
Total current liabilities		1,473,708
LONG-TERM DEBT, less current maturities		734,531
DEFERRED INCOME TAXES		273,310
OTHER LONG-TERM LIABILITIES		140,665
TOTAL LIABILITIES		2,622,214
CONTINGENCIES AND COMMITMENTS (Note 7)		
STOCKHOLDERS' EQUITY:		
Preferred stock - authorized 1,000,000 shares ($1 par value), none issued		—
Common stock - authorized 75,000,000 shares ($1 par value), issued and outstanding - 49,072,710 shares		49,073
Additional paid-in capital		1,035,516
Retained earnings		377,803
Accumulated other comprehensive loss		(42,165)
TOTAL STOCKHOLDERS' EQUITY		1,420,227
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	4,042,441

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	45,292
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation		37,919
Amortization of intangible assets and debt issuance costs		5,810
Share-based compensation expense		9,477
Excess income tax benefit from share-based compensation		(186)
Deferred income taxes		22,214
Loss on sale of investments		—
Gain on sale of property and equipment		(2,909)
Other long-term liabilities		28,912
Other non-cash items		(3,680)
Changes in other components of working capital		(128,777)
NET CASH PROVIDED BY OPERATING ACTIVITIES		14,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment excluding financed purchases		(35,912)
Proceeds from sale of property and equipment		4,980
Proceeds from sale of available-for-sale securities		—
Change in restricted cash		(1,483)
NET CASH USED IN INVESTING ACTIVITIES		(32,415)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt		1,013,205
Repayment of debt		(1,054,371)
Business acquisition-related payments		—
Excess income tax benefit from share-based compensation		186
Issuance of common stock and effect of cashless exercise		(808)
Debt issuance costs		—
NET CASH USED IN FINANCING ACTIVITIES		(41,788)
Net decrease in cash and cash equivalents		(60,131)
Cash and cash equivalents at beginning of year		135,583
Cash and cash equivalents at end of year	$	75,452

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance - December 31, 2014	**$ 48,671**	**$ 1,025,941**	**$ 332,511**	**$ (41,618)**	**$ 1,365,505**
Net income	—	—	45,292	—	45,292
Other comprehensive loss	—	—	—	(547)	(547)
Total comprehensive income					44,745
Tax effect of share-based compensation	—	(186)	—	—	(186)
Share-based compensation expense	—	9,477	—	—	9,477
Issuance of common stock, net	402	284	—	—	686
Balance - December 31, 2015	**$ 49,073**	**$ 1,035,516**	**$ 377,803**	**$ (42,165)**	**$ 1,420,227**

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("GAAP") as codified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries (the "Company"). The Company's interests in construction joint ventures are accounted for using the proportionate consolidation method whereby the Company's proportionate share of each joint venture's assets, liabilities, revenue and cost of operations are included in the appropriate classifications in the consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available through the date of the issuance of the financial statements. Therefore, actual results could differ from those estimates.

(d) Construction Contracts

The Company and its affiliated entities recognize construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation and amortization. Pre-contract costs are expensed as incurred. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred.

The Company classifies construction-related receivables and payables that may be settled in periods exceeding one year from the balance sheet date as current, consistent with the length of time of its project operating cycle. For example:

- Costs and estimated earnings in excess of billings represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date and are classified as a current asset.

- Billings in excess of costs and estimated earnings represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date and are classified as a current liability.

Costs and estimated earnings in excess of billings result when either: 1) costs are incurred related to certain claims and unapproved change orders, or 2) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when there is a dispute regarding only the price associated with a change in scope of work. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated. For claims, these requirements are satisfied under ASC 605-35-25 when the contract or other evidence provides a legal basis for the claim, additional costs were caused by circumstances that were unforeseen at the contract date and not the result of deficiencies in the Company's performance, claim-related costs are identifiable and considered reasonable in view of the work performed, and evidence supporting the claim or change order is objective and verifiable.

Reported costs and estimated earnings in excess of billings as of December 31, 2015 consists of the following (in thousands):

Claims	$ 407,164
Unapproved change orders	270,019
Other unbilled costs and profits	227,992
Total costs and estimated earnings in excess of billings	$ 905,175

The prerequisite for billing claims and unapproved change orders is the final resolution and agreement between the parties. The prerequisite for billing other unbilled costs and profits is provided in the defined billing terms of each of the applicable contracts. The amount of costs and estimated earnings in excess of billings as of December 31, 2015 estimated by management to be collected beyond one year is approximately $353.2 million.

(e) Changes in Estimates

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions; availability of skilled contract labor; performance of major material suppliers and subcontractors; on-going subcontractor negotiations and buyout provisions; unusual weather conditions; changes in the timing of scheduled work; change orders; accuracy of the original bid estimate; changes in estimated labor productivity and costs based on experience to date; achievement of incentive-based income targets; and, the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management focuses on evaluating the performance of contracts individually and uses the cumulative catch-up method to account for revisions in estimates. Material changes in estimates are disclosed in the notes to the consolidated financial statements.

(f) Depreciation of Property and Equipment and Amortization of Long-Lived Intangible Assets

Property and equipment and long-lived intangible assets are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from three to forty years.

(g) Recoverability of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever circumstances indicate that the future cash flows generated by the assets might be less than the assets' net carrying value. In such circumstances, an impairment loss will be recognized by the amount the assets' net carrying value exceeds their fair value.

(h) Recoverability of Goodwill

Goodwill is not amortized to earnings, but instead is reviewed for impairment at a reporting unit level annually, or more often if there are indicators between the annual review dates that signal that impairment is probable. The Civil, Building and Specialty Contractors segments each represent a reporting unit. We perform our annual quantitative impairment assessment during the fourth quarter of each year using a weighted average of an income and a market approach. The income approach is based on estimated future cash flows for each reporting unit, which then are discounted to their present value. The market approach is based on assumptions about how market data relates to the Company. The weighting of these two approaches is based on their individual correlation to the economics of each reporting unit. The quantitative assessment performed in 2015 resulted in an estimated fair value for each of our reporting units that exceeded their respective net book values; therefore, no impairment charge was necessary for 2015.

(i) Recoverability of Non-Amortizable Trade Names

Certain trade names have an estimated indefinite life and are not amortized to earnings, but instead are reviewed for impairment annually, or more often if there are indicators between the annual review dates that signal that impairment is probable. We perform our annual quantitative impairment assessment during the fourth quarter of each year using an income approach (relief from royalty method). The quantitative assessment performed in 2015 resulted in an estimated fair value for the non-amortizable trade names that exceeded their respective net book values; therefore, no impairment charge was necessary for 2015.

(j) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. Income tax positions must meet a more-likely-than-not threshold to be recognized. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(k) Earnings Per Share

Basic EPS is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Potentially dilutive securities include restricted stock units and stock options. Diluted EPS reflects the assumed exercise or conversion of all dilutive securities using the treasury stock method.

The calculations of the basic and diluted EPS for the year ended December 31, 2015 under the treasury stock method are presented below (in thousands, except per share data):

Net income	$	45,292
Weighted-average common shares outstanding - basic		48,981
Effect of diluted stock options and unvested restricted stock		685
Weighted-average common shares outstanding - diluted		49,666
Net income (loss) per share:		
Basic	$	0.92
Diluted	$	0.91
Anti-dilutive securities not included above		1,372

(l) Cash and Cash Equivalents and Restricted Cash

Cash equivalents include short-term, highly liquid investments with original maturities of three months or less when acquired. Cash and cash equivalents, as reported in the accompanying Consolidated Balance Sheets, consist of amounts held by the Company that are available for general purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint venture-related uses, including future distributions to joint venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit.

Cash and cash equivalents and restricted cash as of December 31, 2015 consisted of the following (in thousands):

Cash and cash equivalents	$	18,409
Company's share of joint venture cash and cash equivalents		57,043
Total cash and cash equivalents	$	75,452
Restricted cash	$	45,853

(m) Share-Based Compensation

The Company's long-term incentive plan allows the Company to grant share-based compensation awards in a variety of forms, including restricted stock units and stock options. Restricted stock units and stock options generally vest subject to service and/or performance requirements, with related compensation expense equal to the fair value of the award on the date of grant and recognized on a straight-line basis over the requisite service period.

(n) Insurance Liabilities

The Company typically utilizes third party insurance coverage subject to varying deductible levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

(o) Other Comprehensive Income (Loss)

ASC 220, *Comprehensive Income*, establishes standards for reporting and displaying comprehensive income and its components in the consolidated financial statements. The Company reports the change in pension benefit plans assets/liabilities, cumulative foreign currency translation, change in fair value of investments and change in fair value of interest rate swap as components of accumulated other comprehensive loss ("AOCI").

The tax effects of the components of other comprehensive income (loss) for the year ended December 31, 2015 are as follows (in thousands):

	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Other comprehensive income (loss):			
Defined benefit pension plan adjustments	$ 31	$ 1,995	$ 2,026
Foreign currency translation adjustment	(5,897)	2,683	(3,214)
Unrealized gain (loss) in fair value of investments	1,123	(357)	766
Unrealized gain (loss) in fair value of interest rate swap	(37)	(88)	(125)
Total other comprehensive income (loss)	$ (4,780)	$ 4,233	$ (547)

The changes in AOCI balances by component (after-tax) for the year ended December 31, 2015 are as follows[1] (in thousands):

	Defined Benefit Pension Plan	Foreign Currency Translation	Unrealized Gain (Loss) in Fair Value of Investments	Unrealized Gain (Loss) in Fair Value of Interest Rate Swap	Accumulated Other Comprehensive Income (Loss), Net
Balance as of December 31, 2014	$ (40,268)	$ (1,389)	$ (110)	$ 149	$ (41,618)
Other comprehensive income (loss)	2,026	(3,214)	766	(125)	(547)
Balance as of December 31, 2015	$ (38,242)	$ (4,603)	$ 656	$ 24	$ (42,165)

[1] There were no reclassifications from AOCI during the year ended December 31, 2015.

(p) New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. This ASU addresses when and how an entity should recognize revenue for the transfer of goods and/or services to customers. This ASU is effective for fiscal year and interim periods within those years beginning after December 15, 2017. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810)* , which amends the consolidation standard and updates the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. The amendment modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities and affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships, among other provisions. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

In April 2015, the FASB issued ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30)*. This ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. In August 2015, the FASB also issued ASU 2015-15, *Interest—Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements — Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015, EITF Meeting*. This update allows an entity to defer and present debt issuance costs related to line-of-credit arrangements as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. These ASUs are effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The adoption of these ASUs is not expected to have a material impact on the Company's financial statements.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes (Subtopic 740-10)*. This ASU require entities to present all deferred tax assets and all deferred tax liabilities as noncurrent in a classified balance sheet. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. The Company had $26.3 million of current deferred tax assets and $24.9 million of current deferred tax liabilities as of December 31, 2015, which will be presented as noncurrent upon adoption of this ASU.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic-842)* which amends the existing guidance in ASC 840 *Leases*. This amendment requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. Other significant provisions of the amendment include (i) defining the "lease term" to include the non-cancellable period together with periods for which there is a significant economic incentive for the lessee to extend or not terminate the lease; (ii) defining the initial lease liability to be recorded on the balance sheet to contemplate only those variable lease payments that depend on an index or that are in substance "fixed"; and (iii) a dual approach for determining whether lease expense is recognized on a straight-line or accelerated basis, depending on whether the lessee is expected to consume more than an insignificant portion of the leased asset's economic benefits. This ASU is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

2. Consolidated Statement of Cash Flows

Below are the changes in other components of working capital, as shown in the Consolidated Statement of Cash Flows, and the supplemental disclosure of cash paid for interest and income taxes for the year ended December 31, 2015 (in thousands):

Decrease (Increase) in:		
Accounts receivable	$	4,734
Costs and estimated earnings in excess of billings		(178,774)
Other current assets		(38,616)
Increase (Decrease) in:		
Accounts payable		139,290
Billings in excess of costs and estimated earnings		(30,985)
Accrued expenses		(24,426)
Changes in other components of working capital	$	(128,777)
Cash paid during the year for:		
Interest	$	45,055
Income taxes	$	35,299

3. Fair Value Measurements

The fair value hierarchy established by ASC 820, *Fair Value Measurement*, prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 — quoted prices in active markets for identical assets and liabilities
Level 2 — inputs other than Level 1 inputs that are observable, either directly or indirectly
Level 3 — unobservable inputs

The following table presents, for each of the fair value hierarchy levels required under ASC 820, the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2015 (in thousands):

	Fair Value Hierarchy			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents (a)	$ 75,452	$ 75,452	$ —	$ —
Restricted cash (a)	45,853	45,853	—	—
Investments in lieu of customer retainage (b)	41,566	35,350	6,216	—
Total	$ 162,871	$ 156,655	$ 6,216	$ —
Liabilities:				
Interest rate swap contract (c)	$ 45	$ —	$ 45	$ —
Contingent consideration (d)	—	—	—	—
Total	$ 45	$ —	$ 45	$ —

(a) Cash, cash equivalents and restricted cash consist primarily of money market funds with original maturity dates of three months or less, for which fair value is determined through quoted market prices.
(b) Investments in lieu of customer retainage are classified as accounts receivable and are comprised of money market funds, U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa3 or better. The fair values of the U.S. Treasury Notes and municipal bonds are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.
(c) The Company values the interest rate swap liability utilizing a discounted cash flow model that takes into consideration forward interest rates observable in the market and the counterparty's credit risk.
(d) Represents earn-out payments for businesses acquired in 2011. The earn-out payments were estimated based on the projected operating results of the acquired businesses. The fair value of the earn-out payments was estimated by calculating their present value using discount rates ranging from 14% to 18%.

The following is a summary of changes in Level 3 liabilities during 2015 (in thousands):

	Contingent Consideration
Balance as of December 31, 2014	$ 24,814
Fair value adjustments included in other income (expense), net	(3,739)
Amount no longer subject to contingency	(21,075)
Balance as of December 31, 2015	$ —

The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these items. The carrying values of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. Of the Company's long-term debt, the fair value of the Senior Notes as of December 31, 2015 was $305.6 million, compared to the carrying value of $299.0 million. The fair value of the Senior Notes was calculated using Level 1 inputs based on quoted prices in the active markets for the Senior Notes as of December 31, 2015. For other fixed rate debt, fair value is determined using Level 3 inputs based on discounted cash flows for the debt at the Company's current incremental borrowing rate for similar types of debt. The estimated fair values of other fixed rate debt as of December 31, 2015 was $121.7 million, compared to the carrying amounts of $124.7 million. The fair value of variable rate debt, which includes the Revolving Credit Facility and the Term Loan, approximated its carrying value of $399.7 million as of December 31, 2015.

4. Goodwill and Other Intangible Assets

The following table presents the changes in the carrying amount of goodwill allocated to the Company's reporting units for 2015 (in thousands):

	Civil	Building	Specialty Contractors	Total
Balance as of December 31, 2014[a]	$ 415,358	$ 13,455	$ 156,193	$ 585,006
2015 activity	—	—	—	—
Balance as of December 31, 2015[a]	$ 415,358	$ 13,455	$ 156,193	$ 585,006

(a) Balances presented include historical accumulated impairment of $76.7 million for the Civil segment and $411.3 million for the Building segment.

The following table presents the carrying value and accumulated amortization, as appropriate, of intangible assets other than goodwill as of December 31, 2015 (in thousands):

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Trade names (non-amortizable)	$ 50,410	$ N/A	$ 50,410
Trade names (amortizable) [a]	51,118	(11,316)	39,802
Customer relationships [a]	23,155	(16,827)	6,328
Total	$ 124,683	$ (28,143)	$ 96,540

(a) The weighted-average amortization period for amortizable trade names and customer relationships is 20 years and 11 years, respectively.

Amortization expense related to amortizable intangible assets for the year ended December 31, 2015 totaled $3.7 million. Future amortization expense related to amortizable intangible assets is as follows (in millions):

Fiscal Year	
2016	$ 3.5
2017	3.5
2018	3.5
2019	3.5
2020	3.5
Thereafter	28.6
Total	$ 46.1

5. Financial Commitments

Long-Term Debt

Long-term debt as of December 31, 2015 consists of the following (in thousands):

Senior Notes ($300,000 face, less unamortized discount of $933)	$ 299,067
Revolving Credit Facility	158,000
Term Loan	223,750
Equipment financing, mortgages and acquisition-related notes	133,288
Other indebtedness	9,343
Total debt	823,448
Less – current maturities	(88,917)
Long-term debt, net	$ 734,531

Senior Notes

In October 2010, the Company issued $300 million of 7.625% senior unsecured notes (the "Senior Notes") due November 1, 2018, in a private offering exempt from the registration requirements of the Securities Act of 1933. The Company received net proceeds of $293.2 million from the issuance, after discounts and issuance costs. The Senior Notes pay interest semi-annually on May 1 and November 1 of each year. The Company may redeem these notes at a redemption price equal to 101.9 percent of their principal amount prior to October 31, 2016 and subsequently without a redemption premium. However, if a change of control triggering event occurs, as defined by the terms of the indenture, the Company is required to offer to redeem the notes at a redemption price equal to 101 percent of their principal amount. At the date of any redemption, any accrued and unpaid interest is also due. The Senior Notes are senior unsecured obligations of the Company and are guaranteed by substantially all of the Company's existing and future subsidiaries that also guarantee obligations under the Company's Credit Agreement as defined below. In addition, the indenture for the Senior Notes provides for customary events of default such as restrictions on the payment of dividends and share repurchases.

Credit Agreement – Revolving Credit Facility and Term Loan

In June 2014, the Company entered into a Sixth Amended and Restated Credit Agreement (the "Original Facility"), restructuring its former $300 million Revolving Credit Facility and $200 million Term Loan and providing for a $300 million revolving credit facility (the "Original Revolver") and a $250 million term loan (the "Original Term Loan"), both maturing on June 5, 2019. Principal on the Original Term Loan was originally payable on a quarterly basis beginning on September 30, 2014, with approximate aggregate principal payments for each year ending December 31, as follows: $7 million in 2014, $19 million in 2015, $26 million in 2016, $34 million in 2017, $41 million in 2018 and $123 million in 2019. The Company may repay all borrowings under the Original Facility at any time before maturity without penalty.

Interest on the Original Revolver depended on how the Company utilized the facility to meet its liquidity needs. As a result, the interest rate could equal either Bank of America's prime lending rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin, ranging from either 1.25% to 2.00% or 2.25% to 3.00%, based on a pricing tier utilizing the Company's consolidated leverage ratio. Similarly, the interest rate on the Original Term Loan was equal to LIBOR plus an applicable margin ranging from 1.25% to 2.00%. The Company also has an interest rate swap agreement with a notional amount of $25 million that effectively converted interest on $25 million of the debt from a variable rate to a fixed rate of 0.975%. The swap expires in June 2016, and there is no requirement under the Original Facility to enter into an additional swap agreement at that time.

The Original Facility provides a sublimit for the issuance of letters of credit up to the aggregate amount of $150 million.

The Original Facility also allowed the Company to either increase the Original Facility or establish one or more new term loan commitments (an accordion feature), up to an aggregate amount not to exceed $300 million.

Amended Credit Agreement

On February 26, 2016, we entered into Waiver and Amendment No. 1 (the "Amendment") to the Original Facility (collectively, the "Credit Facility") with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer and a syndicate of other lenders. As a result of the Company's financial results for the fiscal year ended December 31, 2015, which included the previously reported $23.9 million non-cash, pre-tax charge from an adverse ruling on the Brightwater litigation matter in the third quarter as well as $45.6 million of pre-tax charges in the third and fourth quarters for Five Star Electric, the Company was not in compliance with the required consolidated leverage ratio and consolidated fixed charge coverage ratio under the Original Facility, which are both calculated on a rolling four quarter basis. In the Amendment, the lenders waived these covenant violations and modified certain provisions of the Original Facility.

The Credit Facility provides for a $300 million revolving credit facility (the "Revolver") and a $250 million term loan (the "Term Loan"). As a result of the Amendment, both the Revolver and the Term Loan will now mature on May 1, 2018. The Term Loan principal payments have been modified to include certain additional principal payments which will be applied against the balloon payment (discussed below). Borrowings under the Revolver bear interest, based either on Bank of America's prime lending rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin. Borrowings under the Term Loan bear interest based on LIBOR plus an applicable margin. Under the terms of the Amendment, for so long as the Company's consolidated leverage ratio is greater than 3.5 to 1.0, it will not be permitted to make LIBOR-based borrowings and will be subject to an increased interest rate on borrowings, with such rate being 100 basis points higher than the highest rate under the Original Facility while the Company's consolidated leverage ratio is greater than 3.5 to 1.0 but not more than 4.0 to 1.0, and an additional 100 basis points higher while the Company's consolidated leverage ratio is greater than 4.0 to 1.0. The Company also will be subject to increased commitment fees at these higher leverage ratio levels. In addition, until the Company's consolidated leverage ratio goes below 3.5 to 1.0, LIBOR-based borrowings will convert to base rate borrowings. The Amendment provides for the exclusion of the impact of the Brightwater litigation matter from the calculation of the Company's consolidated leverage ratio and consolidated fixed charge coverage ratio. Interest payments will be due on a monthly basis, rather than a quarterly basis. If the Company is in compliance with the leverage and fixed charge ratio covenants provided in the Original Facility as of December 31, 2016, interest payments will again be due on a quarterly basis thereafter. The Amendment also removes the accordion feature of the Original Facility, which would have allowed, as noted above, either an increase of $300 million in the Revolver or the establishment of one or more new term loan commitments.

The Amendment also modifies several of the covenants in the Original Facility, including the Company's maximum allowable consolidated leverage ratio to be at 4.25:1.00 in the first quarter of 2016, stepping down to 4.0:1.0 in the second and third quarters of 2016 and then returning to the Original Facility's range of 3.25:1.00 to 3.00:1.00 beginning with the fourth quarter of 2016. The Credit Facility will continue to require the Company to maintain a minimum consolidated fixed charge coverage ratio of 1.25:1.00. Other usual and customary covenants for credit facilities of this type (such as, restrictions on the payment of dividends and share repurchases) were included in the Original Facility (subject to certain modifications made in the Amendment), while the Amendment adds covenants regarding the Company's liquidity, including a cap on the cash balance in the Company's bank account and a weekly minimum liquidity requirement (based on specified available cash balances and availability under the Revolver). The Amendment also requires the Company to achieve certain quarterly cash collection milestones and increases the lenders' collateral package. Beginning in the fourth quarter of 2016, the Company will be required to make quarterly principal payments towards the Term Loan balloon payment, based on a percentage of certain forecasted cash collections for the prior quarter, in addition to the scheduled amortization payments of the Original Facility.

Substantially all of the Company's subsidiaries unconditionally guarantee our obligations under the Credit Facility. The obligations under the Credit Facility are secured by a lien on substantially all real and personal property of the Company and its subsidiaries party thereto. Under the Amendment, the Company agreed to increase the lenders' collateral package, including by pledging to the lenders (i) the equity interests of each direct domestic subsidiary of the Company and (ii) 65% of the stock of each material first-tier foreign restricted subsidiary of the Company.

The Term Loan balance was $223.8 million at December 31, 2015. The next quarterly Term Loan payment under the Credit Facility is due and payable in March of 2016.

We had $158.0 million of outstanding borrowings under our Revolver as of December 31, 2015. We utilized the Revolver for letters of credit in the amount of $0.2 million as of December 31, 2015. Accordingly, as of December 31, 2015, we had $141.8 million available to borrow under the Revolver.

There were no other material changes in our contractual debt obligations as of December 31, 2015. As of the issuance date of these consolidated financial statements and giving effect to the Amendment, we are in compliance with the modified financial covenants under the Credit Facility.

Equipment Financing, Mortgages and Acquisition-Related Notes

The Company has certain loans entered into for the purchase of specific property, plant and equipment and secured by the assets purchased. The aggregate balance of equipment financing loans was approximately $70.6 million as of December 31, 2015 with interest rates ranging from 2.12% to 4.85% with schedules calling for equal principal and interest payments over periods up to five years. The aggregate balance of transportation-equipment financing loans was approximately $45.0 million December 31, 2015 with interest rates ranging from a fixed 3.35% to LIBOR plus 3% and equal monthly installment payments over periods up to ten years and balloon payments of $12.4 million in 2021 and $6.15 million in 2022 on the remaining loans outstanding at December 31, 2015. The aggregate balance of mortgage loans was approximately $17.7 million as of December 31, 2015 with interest rates based on LIBOR plus applicable margins up to 3% or prime less 1.0%, depending on the loan, and equal monthly installment payments over periods up to ten years with additional balloon payments of $5.6 million in 2016, $2.6 million in 2018 and $6.7 million in 2023.

During 2011, the Company issued approximately $21.7 million of 5% promissory notes in conjunction with an acquisition. The Company paid all outstanding principal and accrued interest on these notes in 2015.

The following table presents the future principal payments required under all of the Company's debt obligations, discussed above, including the terms of the Amendment (in thousands).

Fiscal Year		
2016	$	88,917
2017		124,008
2018		407,575
2019		169,790
2020		4,824
Thereafter		28,334
	$	823,448

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancelable operating leases. Future minimum rent payments under non-cancelable operating leases as of December 31, 2015 are as follows (in thousands):

Fiscal Year		
2016	$	26,819
2017		19,958
2018		15,478
2019		10,549
2020		8,923
Thereafter		24,927
Subtotal		106,654
Less - Sublease rental agreements		(3,833)
Total	$	102,821

Rental expense under operating leases of construction equipment, vehicles and office space was $17.4 million in 2015.

6. Income Taxes

Income before taxes for the year ended December 31, 2015 is summarized as follows (in thousands):

United States Operations	$	69,822
Foreign Operations		4,017
Total	$	73,839

The provision for income taxes for the year ended December 31, 2015 is as follows (in thousands):

Current expense:		
Federal	$	5,465
State		(362)
Foreign		1,126
Total current		6,229
Deferred (benefit) expense:		
Federal		19,583
State		2,735
Foreign		—
Total deferred		22,318
Total provision	$	28,547

The following table is a reconciliation of the Company's provision for income taxes at the statutory rates to the provision for income taxes at the Company's effective rate for 2015 (dollars in thousands).

	Amount	Rate
Federal income expense at statutory tax rate	$ 25,844	35.0 %
State income taxes, net of federal tax benefit	1,250	1.7
Officers' compensation	2,900	3.9
Domestic Production Activities Deduction	(1,499)	(2.0)
Impact of state tax rate changes on deferred	2,435	3.3
Other	(2,383)	(3.2)
Provision for income taxes	$ 28,547	38.7 %

The Company's provision for income taxes and effective tax rate for the year ended December 31, 2015 were significantly impacted by a favorable discrete item related to the reversal of FIN 48 reserves due to the resolution of certain state tax matters.

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2015 (in thousands):

Deferred Tax Assets	
Timing of expense recognition	$ 58,048
Net operating losses	3,564
Other, net	114,225
Deferred tax assets	175,837
Valuation allowance	(460)
Net deferred tax assets	175,377
Deferred Tax Liabilities	
Intangible assets, due primarily to purchase accounting	(99,549)
Fixed assets, due primarily to purchase accounting	(101,022)
Construction contract accounting	(7,530)
Joint ventures - construction	(27,604)
Other	(62,494)
Deferred tax liabilities	(298,199)
Net deferred tax liability	$ (122,822)

The net deferred tax liability is classified in the Consolidated Balance Sheet as of December 31, 2015 based on when the future tax benefit or expense is expected to be realized as follows (in thousands):

Current deferred tax asset	$ 26,306
Long-term deferred tax asset	149,071
Current deferred tax liability	(24,889)
Long-term deferred tax liability	(273,310)
Net deferred tax liability	$ (122,822)

The Company had a valuation allowance of $0.5 million as of December 31, 2015 for federal and state capital loss carryforwards as the ultimate utilization of this item was not likely.

The Company has not provided for deferred income taxes or foreign withholding tax on basis differences in its non-U.S. subsidiaries that result from undistributed earnings aggregating $12.1 million which the Company has the intent and the ability to reinvest in its foreign operations. Generally, the U.S. income taxes imposed upon repatriation of undistributed earnings would be reduced by foreign tax credits from foreign income taxes paid on the earnings. Determination of the deferred income tax liability on these basis differences is not reasonably estimable because such liability, if any, is dependent on circumstances existing if and when remittance occurs.

The Company's policy is to record interest and penalties on unrecognized tax benefits as an element of income tax expense. The cumulative amounts related to interest and penalties are added to the total unrecognized tax liabilities on the balance sheet. The total amount of gross unrecognized tax benefits as of December 31, 2015 that, if recognized, would affect the effective tax rate is $3.6 million. The Company does not expect any significant release of unrecognized tax benefits within the next twelve months.

The Company accounts for its uncertain tax positions in accordance with GAAP. A reconciliation of the beginning and ending amounts of these tax benefits for the year ended December 31, 2015 is as follows (in thousands):

Beginning balance	$	7,636
Change in tax positions of prior years		(3,073)
Change in tax positions of current year		169
Reduction in tax positions for statute expirations		(1,120)
Ending Balance	$	3,612

We conduct business internationally and, as a result, one or more of our subsidiaries files income tax returns in U.S. federal, U.S. state and certain foreign jurisdictions. Accordingly, in the normal course of business, we are subject to examination by taxing authorities principally throughout the United States, Guam and Canada. We are no longer under examination by the taxing authority regarding any U.S. federal income tax returns for years before 2011 while the years open for examination under various state and local jurisdictions vary.

7. Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its customers have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors.

Several matters are in the litigation and dispute resolution process and represent contingent losses or gains to the Company. The following discussion provides a background and current status of the more significant matters.

Tutor-Saliba-Perini Joint Venture vs. Los Angeles MTA Matter

During 1995, Tutor-Saliba-Perini ("Joint Venture") filed a complaint in the Superior Court of the State of California for the County of Los Angeles against the Los Angeles County Metropolitan Transportation Authority ("LAMTA"), seeking to recover costs for extra work required by LAMTA in connection with the construction of certain tunnel and station projects, all of which were completed by 1996. In 1999, LAMTA countered with civil claims under the California False Claims Act against the Joint Venture, Tutor-Saliba and Perini Corporation jointly and severally (together, "TSP"), and obtained a judgment that was reversed on appeal and remanded for retrial before a different judge.

Between 2005 and 2010, the court granted certain Joint Venture motions and LAMTA capitulated on others, which reduced the number of false claims LAMTA may seek and limited LAMTA's claims for damages and penalties. In September 2010, LAMTA dismissed its remaining claims and agreed to pay the entire amount of the Joint Venture's remaining claims plus interest. In the remanded proceedings, the Court subsequently entered judgment in favor of TSP and against LAMTA in the amount of $3.0 million after deducting $0.5 million, representing the tunnel handrail verdict plus accrued interest against TSP. The parties filed post-trial motions for costs and fees. The Court ruled that TSP's sureties could recover costs, LAMTA could recover costs for the tunnel handrail trial and no party could recover attorneys' fees. TSP appealed the false claims jury verdict on the tunnel handrail claim and other issues, including the denial of TSP's and its sureties' request for attorneys' fees. LAMTA subsequently filed its cross-appeal. In June 2014, the Court of Appeal issued its decision reversing judgment on the People's Unfair Competition claim and reversing the denial of TSP's Sureties' request for attorney's fees and affirming the remainder of the judgment. In January 2015, payment was made by LAMTA in the amount of $3.8 million in settlement of all outstanding issues except for the attorney's fees for TSP's Sureties.

On May 1, 2015, TSP's Surety's motions for attorney's fees were heard, and the Court issued its written ruling on May 5, 2015 in favor of TSP's Sureties for a total award of $2.1 million. The Court denied adding interest onto these amounts. On June 26, 2015, payment was made by LAMTA for these amounts, which was received by TSP. Based on the Court's decision, the Company wrote off the remaining booked position, which was immaterial to its consolidated financial statements. On June 23, 2015, TSP's Sureties filed a Notice of Appeal challenging the amount awarded to seek an increase. The appeal remains pending while the Court prepares the trial record for the Court of Appeal. However, the Company does not expect the ultimate resolution of this matter to have a material effect on its consolidated financial statements.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange project for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as finally complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, seeking damages in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project allowing the Company to re-file its claim. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the project. The Court subsequently ruled that NYSDOT's counterclaims may only be asserted as a defense and offset to the Company's claims and not as affirmative claims. In November 2014, the Appellate Division First Department affirmed the dismissal of the City's affirmative defenses and counterclaims based on DBE fraud. The Company does not expect the counterclaims to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the consolidated financial statements at that time.

Fontainebleau Matter

Desert Mechanical Inc. ("DMI") and Fisk Electric Company ("Fisk"), wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc., the general contractor, in the 8th Judicial District Court, Clark County, Nevada, and in May 2010, the court entered an order in favor of DMI for approximately $45 million.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC, and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there was approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. At that time, the total estimated sustainable lien amount was approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October 2012 in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

In October 2013, a settlement was reached by and among the Statutory Lienholders and the other interested parties. The agreed upon settlement has not had an impact on the Company's recorded accounting position as of the year ended December 31, 2015. The execution of that settlement agreement continues under the supervision of a mediator appointed by the Bankruptcy Court.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges project for the City of New York (the "City"). In June 2003, after substantial completion of the project, the Company initiated an action to recover $8.8 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6

million and other relief, alleging fraud in connection with the DBE requirements for the project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. In August 2013, the Court granted the Company's motion to dismiss the City's affirmative defenses and counterclaims relating to fraud. In September 2013, the City filed a Notice of Appeal to the Court's decision; said appeal was dismissed by the Appellate Court in November 2014. Discovery is ongoing and is expected to conclude in early 2016.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a timeshare development project in Las Vegas which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million, and filed its complaint with the District Court, Clark County, Nevada. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. WPH has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. WPH revised the amount of their counterclaims to approximately $45 million.

Following multiple post-trial motions, final judgment was entered in this matter on March 20, 2014. TSC was awarded total judgment in the amount of $19.7 million on its breach of contract claim, which includes an award of interest up through the date of judgment, plus attorney's fees and costs. WPH has paid $0.6 million of that judgment. WPH was awarded total judgment in the amount of $3.1 million on its construction defect claims, which includes interest up through the date of judgment. The awards are not offsetting. WPH and its Sureties have filed a notice of appeal. TSC has filed a notice of appeal on the defect award. In July 2014, the Court ordered WPH to post an additional supersedeas bond on appeal, in the amount of $1.7 million, in addition to the lien release bond of $22.3 million, which increases the security up to $24.0 million. The Nevada Supreme Court is anticipated to rule on this matter during the first quarter of 2016.

The Company does not expect ultimate resolution of this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Brightwater Matter

In 2006, the Department of Natural Resources and Parks Wastewater Treatment Division of King County ("King County"), as Owner, and Vinci Construction Grands Projects/Parsons RCI/Frontier-Kemper, Joint Venture ("VPFK"), as Contractor, entered into a contract to construct the Brightwater Conveyance System and tunnel sections in Washington State. Frontier-Kemper, a 20% minority partner in the joint venture, is a wholly owned subsidiary of the Company that was acquired in June 2011.

In April 2010, King County filed a lawsuit alleging damages in the amount of $74 million, plus costs, for VPFK's failure to complete specified components of the project in the King County Superior Court, State of Washington. Shortly thereafter, VPFK filed a counterclaim in the amount of approximately $75 million, seeking reimbursement for additional costs incurred as a result of differing site conditions, King County's defective specifications, and for damages sustained on VPFK's tunnel boring machines ("TBM"), and increased costs as a result of hyperbaric interventions. VPFK's claims were presented to a Dispute Resolution Board who generally found that King County was liable to VPFK for VPFK's claims for encountering differing site conditions, including damages to the TBM, but not on claims related to defective design specifications. From June through August 2012, each party filed several motions for summary judgment on certain claims and requests in preparation for trial, which were heard and ruled upon by the Court. The Court granted and denied various requests of each party related to evidence and damages.

In December 2012, a jury verdict was received in favor of King County in the amount of $155.8 million and a verdict in favor of VPFK in the amount of $26.3 million. In late April 2013, the Court ruled on post-trial motions and ordered VPFK's sureties to pay King County's attorneys' fees and costs in the amount of $14.7 million. All other motions were denied. On May 7, 2013, VPFK paid the full verdict amount and the associated fees, thus terminating any interest on the judgment. VPFK's notice of appeal was filed on May 31, 2013. King County has appealed approximately $17.0 million of the verdict award in VPFK's favor and VPFK's sureties have appealed the Court's order granting King County's request for legal fees and costs. Oral argument was held on March 9, 2015.

The Company received notice on November 9, 2015, that the Court of Appeals of the State of Washington filed their decision that day, which affirmed the trial court's judgment and denied the appeals brought forth by both VPFK and King County. Management booked the impact of this judgment during the third quarter of 2015, resulting in a non-cash, pre-tax charge of $23.9 million. The Court granted King County's request for recovery of reasonable attorney fees and appellate costs but did not quantify an amount. The Company does not expect the award of attorney fees, while not specifically determinable, to have a material financial impact on its consolidated financial statements.

156 Stations Matter

In December 2003, Five Star Electric Corporation ("FSE"), a wholly owned subsidiary of the Company, entered into an agreement with the Prime Contractor Transit Technologies, L.L.C., a Consortium member of Siemens Transportation Transit Technologies, L.L.C., to assist in the installation of new public address and customer information screens system for each of the 156 stations for the New York City Transit Authority as the owner.

In June 2012, an arbitration panel awarded FSE a total of approximately $11.9 million. Subsequently, the Court affirmed FSE's position; however, it decided that only $8.5 million of the total arbitration award of $11.9 million can be recovered against the payment bond. In December 2014, FSE filed its reply for the motion for re-argument with regard to the reduction in recoverable costs against the payment bond.

This matter was fully settled in April 2015 and payment was received. The settlement amount was consistent with the Company's recorded position and, accordingly, the settlement did not have a material impact on the Company's consolidated financial statements.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration Matter

Rudolph and Sletten, Inc. ("R&S"), a wholly owned subsidiary of the Company, entered into a contract with the United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") for the construction of a 287,000 square-foot facility for NOAA's Southwest Fisheries Science Center Replacement Headquarters and Laboratory in La Jolla, California. The contract work began on May 24, 2010, and was substantially completed in September 2012. R&S incurred significant additional costs as a result of a design that contained errors and omissions, NOAA's unwillingness to correct design flaws in a timely fashion and a refusal to negotiate the time and pricing associated with change order work.

R&S has filed three certified claims against NOAA for contract adjustments related to the unresolved Owner change orders, delays, design deficiencies and other claims. The First Certified Claim was submitted on August 20, 2013, in the amount of $26.8 million ("First Certified Claim") and the Second Certified Claim was submitted on October 30, 2013, in the amount of $2.6 million ("Second Certified Claim") and the Third Certified Claim was submitted on October 1, 2014 in the amount of $0.7 million ("Third Certified Claim").

NOAA requested an extension to issue a decision on the First Certified Claim and on the Third Certified Claim, but did not request an extension of time to review the Second Certified Claim. On January 6, 2014, R&S filed suit in the United States Federal Court of Claims on the Second Certified Claim plus interest and attorney's fees and costs. This was followed by a submission of a lawsuit on the First Certified Claim on July 31, 2014. In February 2015, the Court denied NOAA's motion to dismiss the Second Certified Claim. In March 2015, the Contracting Officer issued decisions on all Claims accepting a total of approximately $1.0 million of claims and denying approximately $29.5 million of claims. On April 14, 2015, the Court consolidated the cases and has commenced discovery through mid-2016. No trial date has been set.

Management has made an estimate of the total anticipated recovery on this project, and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Five Star Electric Matter

In the third quarter of 2015, Five Star Electric Corp ("Five Star"), a subsidiary of the Company that was acquired in 2011, entered into a tolling agreement related to an ongoing investigation being conducted by the United States Attorney for the Eastern District of New York ("USAO EDNY"). The tolling agreement extended the statute of limitations to avoid the expiration of any unexpired statute of limitations while the investigation is pending. Five Star has been cooperating with the USAO EDNY since late June 2014, when it was first made aware of the investigation, and has been providing information related to its use of certain minority-owned, women-owned, small and disadvantaged business enterprises and, in addition, most recently information regarding certain of Five Star's employee compensation, benefit and tax practices. The investigation covers the period of 2005-2014.

The Company cannot predict the ultimate outcome of the investigation and cannot accurately estimate any potential liability that Five Star or the Company may incur or the impact of the results of the investigation on Five Star or the Company.

Alaskan Way Viaduct Matter

In January 2011, Seattle Tunnel Partners ("STP"), a joint venture between Dragados USA, Inc. and the Company, entered into a design-build contract with the Washington State Department of Transportation ("WSDOT") for the construction of a large diameter bored tunnel in downtown Seattle, King County, Washington to replace the Alaskan Way Viaduct, also known as State Route 99.

The construction of the large diameter bored tunnel requires the use of a tunnel boring machine ("TBM"). In December 2013, the TBM struck a steel pipe, installed by WSDOT as a well casing for an exploratory well. The TBM was damaged and was required to be shut down for repair. STP has asserted that the steel pipe casing was a differing site condition that WSDOT failed to properly disclose. The Disputes Review Board mandated by the contract to hear disputes issued a decision finding the steel casing was a Type I differing site condition. WSDOT has not accepted that finding.

The TBM is insured under a Builder's Risk Insurance Policy ("the Policy") with Great Lakes Reinsurance (UK) PLC and a consortium of other insurers (the "Insurers"). STP submitted the claims to the insurer and requested interim payments under the Policy. The Insurers refused to pay and denied coverage. In June 2015, STP filed a lawsuit in the King County Superior Court, State of Washington seeking declaratory relief concerning contract interpretation as well as damages as a result of the Insurers' breach of its obligations under the terms of the Policy, and added WSDOT as a defendant since WSDOT is an insured under the Policy and had filed its own claim for damages. In August 2015, the Insurers filed a complaint in the Supreme Court, State of New York County seeking declaratory relief concerning contract interpretation. The Court in New York has stayed the Insurers' lawsuit pending a decision from the Washington State Court.

In October 2015, WSDOT filed a complaint against STP in the King County Superior Court, State of Washington for breach of contract and declaratory relief concerning contract interpretation.

As of December 2015, the Company has concluded that the potential for a material adverse financial impact due to the Insurer's and WSDOT's respective legal actions are neither probable nor remote. Management has made an estimate of the total anticipated recovery on this project and such estimate is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

8. Share-Based Compensation

The Company's executive share-based compensation plan provides for various types of share-based grants, including restricted stock units and stock options. Restricted stock units give the holder the right to exchange their restricted stock units for shares of the Company's common stock on a one-for-one basis. Stock options give the holder the right to purchase shares of the Company's common stock at an exercise price equal to the fair value of the Company's common stock on the date of the stock option's award. Awards are usually subject to certain service and performance conditions and may not be sold or otherwise transferred until those restrictions have been satisfied. The term for stock options is limited to 10 years from the date of grant. As of December 31, 2015, there were 489,022 shares available to be granted under the Company's share-based compensation plan. Many of the awards under the plan allow for the fractional earning of the entire award based on achieving separate vesting criteria for separate performance periods. The Company accounts for each fractional portion of these awards as a separate grant, with the grant date established at the date when the performance target for a given period is set and communicated to the grantee. As of December 31, 2015, there were 754,500 restricted stock units and 722,000 stock options that have been awarded, but are not yet granted.

The following table summarizes restricted stock unit and stock option activity during the year ended December 31, 2015:

	Restricted Stock Units		Stock Options	
	Number	Weighted-Average Grant Date Fair Value Per Share	Number	Weighted-Average Exercise/(Strike) Price Per Share
Outstanding as of December 31, 2014	1,056,597	$ 26.54	1,989,000	$ 19.63
Granted	321,500	23.07	259,000	16.07
Expired or forfeited	(281,560)	23.89	(250,000)	15.97
Vested/exercised	(370,940)	27.07	-	-
Outstanding as of December 31, 2015	725,597	$ 25.28	1,998,000	$ 19.62

The fair value of restricted stock units that vested during 2015 was approximately $8.0 million. As of December 31, 2015, the balance of unamortized restricted stock and stock option expense was $7.5 million and $1.9 million, respectively, which will be recognized over weighted-average periods of 1.6 years for restricted stock units and 1.4 years for stock options.

The 1,998,000 outstanding stock options as of December 31, 2015 had an intrinsic value of $3.0 million and a weighted-average remaining contractual life of 4.9 years. Of those outstanding options: 1) 1,485,000 were exercisable with an intrinsic value of $1.6 million, a weighted-average exercise price of $19.57 per share and a weighted-average remaining contractual life of 4.0 years; and 2) 513,000 have been granted but have not vested, of which 483,000 are expected to vest and have an intrinsic value of $1.3 million, a weighted-average exercise price of $19.27 and a weighted-average remaining contractual life of 7.3 years.

The fair value on the grant date and the significant assumptions used in the Black-Scholes option-pricing model for stock option awards granted during 2015 are as follows:

Total stock options granted		259,000
Weighted-average grant date fair value	$	12.48
Weighted-average assumptions:		
Risk-Free Rate		1.3 %
Expected life of options[(a)]		4.7
Expected volatility[(b)]		45.5 %
Expected quarterly dividends	$	—

(a) Calculated using the simplified method due to the terms of the stock options and the limited pool of grantees.
(b) Calculated using historical volatility of the Company's common stock over periods commensurate with the expected life of the option.

The Company recognized, as part of general and administrative expense, cost for stock-based payment arrangements of $9.5 million for the year ended December 31, 2015 with related tax benefits of $4.0 million.

9. Business Segments

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services, including site work, concrete forming and placement, steel erection, electrical, mechanical, plumbing and HVAC. Our business is conducted through three segments: Civil, Building and Specialty Contractors, as described further below. These segments are determined based on how the Company's Chairman and Chief Executive Officer (chief operating decision maker) aggregates business units when evaluating performance and allocating resources.

The Civil segment specializes in public works construction and the repair, replacement and reconstruction of infrastructure. The civil contracting services include construction and rehabilitation of highways, bridges, mass-transit systems, and water management and wastewater treatment facilities.

The Building segment has significant experience providing services to a number of specialized building markets for private and public works customers, including the high-rise residential, hospitality and gaming, transportation, health care, commercial and government offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech markets.

The Specialty Contractors segment specializes in electrical, mechanical, plumbing, HVAC, fire protection systems and pneumatically placed concrete for a full range of civil and building construction projects in the industrial, commercial, hospitality and gaming, and mass-transit end markets. This segment provides unique strengthens and capabilities which position the Company as a full-service contractor with greater control over scheduled work, project delivery and risk management.

The following tables set forth certain reportable segment information relating to the Company's operations for the years ended December 31, 2015 (in thousands):

	Reportable Segments					
	Civil	Building	Specialty Contractors	Segment Total	Corporate	Consolidated Total
Total Revenue	$ 2,005,193	$ 1,900,492	$ 1,228,030	$ 5,133,715	$ —	$ 5,133,715
Elimination of intersegment revenue	(115,286)	(97,957)	—	(213,243)	—	(213,243)
Revenue from external customers	$ 1,889,907	$ 1,802,535	$ 1,228,030	$ 4,920,472	$ —	$ 4,920,472
Income from construction operations:						
Before litigation-related charge	$ 169,073	$ (1,240)	$ 15,682	$ 183,515	$ (54,242)(a)	$ 129,273
Litigation-related charge (b)	(23,860)	—	—	(23,860)	—	(23,860)
Total	$ 145,213	$ (1,240)	$ 15,682	$ 159,655	$ (54,242)	$ 105,413
Capital Expenditures	$ 8,383	$ 2,877	$ 1,193	$ 12,453	$ 23,459	$ 35,912

(a) Consists primarily of corporate general and administrative expenses.
(b) The Company recorded a non-cash, pre-tax charge of $23.9 million for an adverse appellate court decision related to a long-standing litigation matter for which the Company, as part of a 2011 acquisition, assumed liability as a minority partner in a joint venture for a project that had already been completed. (For further information, refer to the Brightwater Matter discussion in Note 7.)

During the year ended December 31, 2015, the Company recorded unfavorable adjustments totaling $45.6 million in income from construction operations ($0.53 in diluted EPS) related to various Five Star Electric projects in New York, none of which were individually material. Most of these projects are complete or nearing completion. In addition, there were unfavorable adjustments to the estimated cost to complete a Building segment project, which has been completed and resulted in a decrease of $24.3 million in income from construction operations ($0.28 in diluted EPS). Furthermore, the Company recorded a non-cash litigation-related charge for the Brightwater Matter, which resulted in a $23.9 million in income from construction operations ($0.28 in diluted EPS), as discussed in Note 7. Finally, the Company recorded favorable adjustments for a Civil segment runway reconstruction project, which resulted in an increase of $13.7 million in income from construction operations ($0.16 in diluted EPS).

The above were the only changes in estimates considered individually material to the Company's results of operations during the year ended December 31, 2015.

The following table sets forth the total assets for the reportable segments as of December 31, 2015 (in thousands):

Building	$	798,022
Civil		1,964,674
Specialty Contractors		863,242
Corporate and other (a)		416,503
Total Assets	$	4,042,441

(a) Consists principally of cash and cash equivalents and corporate transportation equipment.

Geographic Information

Information concerning principal geographic areas as of and for the year-ended December 31, 2015 is as follows (in thousands):

Revenue		
United States	$	4,694,165
Foreign and U.S. territories		226,307
Total	$	4,920,472
Income (loss) from construction operations		
United States	$	128,869
Foreign and U.S. territories		30,786
Corporate		(54,242)
Total	$	105,413

Income from construction operations has been allocated geographically based on the location of the job site.

Assets		
United States	$	3,868,449
Foreign and U.S. territories		173,992
Total Assets	$	4,042,441

Reconciliation of Segment Information to Consolidated Amounts

The following table reconciles segment results to the consolidated income before income taxes for the year ended December 31, 2015 (in thousands).

Income from construction operations	$	105,413
Other income (expense), net		12,453
Interest expense		(44,027)
Income before income taxes	$	73,839

10. Employee Benefit Plans

Defined Benefit Pension Plan

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings," as defined by the plan. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

The Company historically has used the date of its fiscal year-end as its measurement date to determine the funded status of the plan.

The long-term investment goals of our plan are to manage the assets in accordance with the legal requirements of all applicable laws; produce investment returns which maximize return within reasonable and prudent levels of risks; and achieve a fully funded status with regard to current pension liabilities. Some risk must be assumed in order to achieve the investment goals. Investments with the ability to withstand short and intermediate term variability are considered and some interim fluctuations in market value and rates of return are tolerated in order to achieve the plan's longer-term objectives.

The plan's assets are managed by a third-party investment manager. The investment manager is limited to pursuing the investment strategies regarding asset mix and purchases and sales of securities within the parameters defined in the Investment Objectives & Policy Statement and investment management agreement. Investment performance and risk is measured and monitored on an ongoing basis through quarterly investment meetings.

A summary of net periodic benefit cost for the year ended December 31, 2015 is as follows (in thousands):

Interest cost	$	4,055
Expected return on plan assets		(5,021)
Recognized net actuarial losses		1,869
Net periodic benefit cost	$	903
Actuarial assumptions used to determine net cost:		
Discount rate		3.75%
Expected return on assets		6.50%
Rate of increase in compensation		n.a.

The target asset allocation for the Company's pension plan by asset category for 2016 and the actual asset allocation as of December 31, 2015 by asset category are as follows:

	Percentage of Plan Assets	
Asset Category	**Target Allocation 2016**	**Actual Allocation 2015**
Cash	5 %	4 %
Equity securities:		
Domestic	65	61
International	25	30
Fixed income securities	5	5
Total	100 %	100 %

As of December 31, 2015, plan assets included approximately $44.1 million of investments in hedge funds which do not have readily determinable fair values. The underlying holdings of the funds are comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers.

The Company expects to contribute approximately $1.8 million to its defined benefit pension plan in 2016. Future benefit payments under the plans are estimated as follows (in thousands):

2016	$	6,399
2017		6,439
2018		6,601
2019		6,687
2020		6,720
Thereafter		33,510
	$	66,356

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during 2015, and a summary of the funded status as of December 31, 2015 (in thousands).

Change in Fair Value of Plan Assets		
Balance at beginning of year	$	75,956
Actual return on plan assets		(984)
Company contribution		2,900
Benefit payments		(5,576)
Balance at end of year	$	72,296
Change in Benefit Obligations		
Balance at beginning of year	$	110,923
Interest cost		4,055
Assumption change (gain) loss		(3,838)
Actuarial loss		378
Benefit payments		(5,576)
Balance at end of year	$	105,942
Funded status	$	(33,646)
Amounts recognized in Consolidated Balance Sheets consist of:		
Current liabilities	$	(218)
Long-term liabilities		(33,428)
Net amount recognized in Consolidated Balance Sheets	$	(33,646)
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss:		
Net actuarial loss	$	(56,824)
Accumulated other comprehensive loss		(56,824)
Cumulative Company contributions in excess of net periodic benefit cost		23,178
Net amount recognized in Consolidated Balance Sheets	$	(33,646)

The net actuarial gain arising during the period, netted against the amortization of the previously existing actuarial loss resulted in a net other comprehensive loss of $0.7 million in 2015.

The estimated amount of the net accumulated loss that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2016 is $1.7 million.

Actuarial assumptions used to determine benefit obligation:	
Discount rate	4.10 %
Rate of increase in compensation	n.a.
Measurement date	December 31

The expected long-term rate of return on assets assumption was 6.5% for 2015. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the Company's target asset allocation and full availability of invested assets.

Plan assets are measured at fair value. The following provides a description of the valuation techniques employed for each major asset class: Corporate equities are valued at the closing price reported on the active market on which the individual securities are purchased. Registered investment companies are public investment vehicles valued using the Net Asset Value (NAV) of shares held by the plan at year-end. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy. Closely held funds held by the plan, which are only available through private offerings, do not have readily determinable fair values. Estimates of fair value of these funds are determined using the information provided by the fund managers and it is generally based on the net asset value per share or its equivalent. Corporate bonds are valued based on market values quoted by dealers who are market makers in these securities, and by independent pricing services which use multiple valuation techniques that incorporate available market information and proprietary valuation models using market characteristics, such as benchmark yield curve, coupon rates, credit spreads, estimated default rates and other features.

The following table sets forth the plan assets as of December 31, 2015 at fair value in accordance with the fair value hierarchy described in Note 3 (in thousands):

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total Value
Cash and cash equivalents	$ 2,654	$ —	$ —	$ 2,654
Fixed Income	4,029	—	—	4,029
Equities	6,566	—	—	6,566
Mutual Funds	6,994	—	—	6,994
Equity Partnerships	—	7,920	—	7,920
Hedge Fund Investments:				
Cash	324	—	—	324
Long-Short Equity Fund	—	12,640	16,370	29,010
Event-Driven Fund	—	3,618	6,984	10,602
Distressed Credit	—	—	935	935
Multi-Strategy Fund	—	—	1,262	1,262
Private Credit	—	—	2,000	2,000
Total	$ 20,567	$ 24,178	$ 27,551	$ 72,296

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event-driven, multi-strategy and distressed credit. Generally, the redemption of the Company's hedge fund investments is subject to certain notice-period requirements and, as such, the Company has classified these assets as Level 3 assets.

The table below sets forth a summary of changes in the fair value of the Level 3 assets (in thousands):

	Changes in Fair Value of Level 3 Assets					
	Long-Short Equity Fund	Event-Driven Fund	Distressed Credit	Multi-Strategy Fund	Private Credit	Total
Balance, December 31, 2014	$ 12,755	$ 9,562	$ 1,320	$ 1,494	$ —	$ 25,131
Realized gains	(50)	(16)	(7)	(9)	—	(82)
Unrealized gains	581	(585)	(28)	(38)	—	(70)
Purchases	5,631	—	—	225	2,642	8,498
Sales	(2,547)	(1,977)	(350)	(410)	(642)	(5,926)
Balance, December 31, 2015	$ 16,370	$ 6,984	$ 935	$ 1,262	$ 2,000	$ 27,551

The Company's plans have benefit obligations in excess of the fair value of the plans' assets. The following table provides information relating to each of the plans' benefit obligations compared to the fair value of its assets as of December 31, 2015 (in thousands):

(in thousands)	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 102,495	$ 3,447	$ 105,942
Accumulated benefit obligation	102,495	3,447	105,942
Fair value of plan assets	72,296	—	72,296
Projected benefit obligation greater than fair value of plan assets	$ 30,199	$ 3,447	$ 33,646
Accumulated benefit obligation greater than fair value of plan assets	$ 30,199	$ 3,447	$ 33,646

Section 401(k) Plans

The Company has several contributory Section 401(k) plans which cover its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The 401(k) expense provision was $4.0 million in 2015. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined by each plan.

Cash-Based Compensation Plans

The Company has multiple cash-based compensation plans and a share-based incentive compensation plan for key employees, which are generally based on the Company's achievement of a certain level of profit. For information on the Company's share-based incentive compensation plan, see Note 8.

Multiemployer Plans

In addition to the Company's defined benefit pension and contribution plans discussed above, the Company participates in multiemployer pension plans for its union construction employees. Contributions are based on the hours worked by employees covered under various collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is only liable for its proportionate share of a plan's unfunded vested liability upon termination, or withdrawal from, a plan. The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which it participates and, therefore, has not recognized a liability for its proportionate share of any unfunded vested liabilities associated with these plans.

The following tables summarize key information for the plans that the Company had significant involvement with during the year ended December 31, 2015.

Pension Fund	EIN/Pension Plan Number	Pension Protections Act Zone Status	FIP/RP Status Pending Or Implemented	Company Contributions (in millions)	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Account	13-6123601/001	Green	No	13.6 (a)	No	5/31/2016
Steamfitters Industry Pension Fund	13-6149680/001	Green	No	6.2 (a)	No	6/30/2017
Excavators Union Local 731 Pension Fund	13-1809825/002	Green	No	7.1	No	6/30/2016
Local 147 Construction Workers Retirement Fund	13-6528181	Green	No	5.6 (a)	No	6/30/2018
Iron Workers Locals 40,361 & 417 Pension Fund	51-6102576/001	Yellow	Implemented	5.2 (a)	No	6/30/2020
New York City District Council of Carpenters Pension Plan	51-0174276/001	Green (b)	No	3.1	No	6/30/2016

(a) These amounts exceeded 5% of the respective total plan contributions.
(b) Pension Protection Act zone status is as of July 1, 2015.

In addition to the individually significant plans described above, the Company also contributed approximately $40.6 million in 2015.

11. Related Party Transactions

The Company leases certain facilities from an entity owned by Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, at market lease rates. Under these leases the Company paid $2.7 million and recognized expense of $3.2 million for the year ended December 31, 2015.

Raymond R. Oneglia, Vice Chairman of O&G Industries, Inc. ("O&G"), is a director of the Company, and O&G owns 500,000 shares of the Company's common stock. The Company and O&G formed a joint venture to provide contracting services for a highway construction project. O&G provides equipment and services to the joint venture on customary trade terms. The joint venture paid O&G $10.7 million for the year ended December 31, 2015. The Company has a 30% percent interest in the joint venture, which it accounts for using the proportionate consolidation method.

Peter Arkley, Senior Managing Director, Construction Services Group, of Alliant Insurance Services, Inc. ("Alliant"), is a director of the Company. The Company uses Alliant for various insurance related services and has paid Alliant $9.8 million for the year ended December 31, 2015. The Company owed Alliant $7.5 million for services rendered as of December 31, 2015.

SUPPLEMENTAL CONSOLIDATING INFORMATION

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2015
(In thousands, except share data)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
ASSETS																	
CURRENT ASSETS:																	
Cash	$ 47,198	$ 839	$ —	$ 14,518	$ 2,144	$ 98	$ —	$ 1,531	$ —	$ —	$ 1,934	$ —	$ 10,883	$ 2,036	$ 1,361	$ (7,090)	$ 75,452
Restricted cash	3,370	—	—	—	400	—	—	—	—	—	330	—	—	2,552	39,201	—	45,853
Accounts receivable, including retainage	339,488	30,993	16,854	59,347	54,002	6,975	99,671	29,083	245,622	70,891	35,501	11,658	19,042	517,575	83,658	(146,745)	1,473,615
Costs and estimated earnings in excess of billings	97,576	71,457	46,584	86,644	17,702	2,997	35,886	10,231	23,601	37,400	21,737	37,182	8,325	485,285	151	(77,583)	905,175
Deferred income taxes	16,566	—	—	5,239	—	—	—	—	—	—	—	—	314	4,185	2	—	26,306
Intercompany notes and receivables	—	—	—	—	28,889	—	—	—	45,504	—	—	3,738	—	—	—	(78,131)	—
Other current assets	59,792	974	2,161	5,331	7,690	4,525	2,077	56	3,483	2,134	1,497	285	6,818	11,305	12,319	(11,603)	108,844
Total current assets	563,990	104,263	65,599	171,079	110,827	14,595	137,634	40,901	318,210	110,425	60,999	52,863	45,382	1,022,938	136,692	(321,152)	2,635,245
PROPERTY AND EQUIPMENT, at cost																	
Land	4,090	—	2,407	492	1,771	—	15,396	—	4,456	—	123	—	8,874	3,284	489	—	41,382
Building and improvements	22,132	—	4,409	1,798	2,663	—	23,547	852	12,908	1,887	3,986	—	12,367	23,727	13,324	—	123,600
Construction equipment	52,894	8,294	14,384	58,065	49,209	16,422	1,415	297	4,910	—	310	—	22,703	6,875	195,382	—	431,080
Other equipment	61,924	70,326	2,834	—	9,866	32	3,745	1,044	9,625	1,794	2,923	139	5,038	9,241	3,409	—	181,940
	141,040	78,620	24,034	60,355	63,509	16,454	44,103	2,193	31,899	3,681	7,342	139	48,982	43,127	212,524	—	778,002
Less - Accumulated depreciation	(35,735)	(18,624)	(10,478)	(18,114)	(24,941)	(3,004)	(7,234)	(1,506)	(18,986)	(2,283)	(3,597)	(61)	(19,916)	(15,870)	(74,128)	—	(254,477)
Total property and equipment, net	105,305	59,996	13,556	42,241	38,568	13,450	36,869	687	12,913	1,398	3,745	78	29,066	27,257	138,396	—	523,525
INTERCOMPANY NOTES AND RECEIVABLES	—	—	—	—	160,096	—	343,783	14,030	121,655	—	—	179,538	14,357	31,367	872	(865,698)	—
GOODWILL	571,520	—	—	—	—	—	—	—	—	—	—	—	—	13,486	—	—	585,006
INTANGIBLE ASSETS, NET	96,540	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	96,540
OTHER ASSETS	741,322	24,052	5,789	—	7,607	1,118	1,369	5,753	2,803	431	22,237	641	351	13,576	26,856	(651,780)	202,125
TOTAL ASSETS	$ 2,078,677	$ 188,311	$ 84,944	$ 213,320	$ 317,098	$ 29,163	$ 519,655	$ 61,371	$ 455,581	$ 112,254	$ 86,981	$ 233,120	$ 89,156	$ 1,108,624	$ 302,816	$ (1,838,630)	$ 4,042,441
LIABILITIES AND STOCKHOLDERS' EQUITY																	
CURRENT LIABILITIES:																	
Current maturities of long-term debt	$ 107,282	$ 2,426	$ 79	$ 11,200	$ 6,830	$ 2,945	$ —	$ —	$ —	$ —	$ —	$ —	$ 5,886	$ 574	$ 11,695	$ (60,000)	$ 88,917
Accounts payable, including retainage	199,238	5,459	12,300	27,667	70,344	1,354	78,082	32,848	285,390	55,187	46,453	46,750	15,551	224,518	4,028	(167,705)	937,464
Billings in excess of costs and estimated earnings	89,304	115	4,064	14,665	24,083	179	1,088	1,014	19,313	1,836	7,109	4,052	6,808	118,675	1,717	(5,711)	288,311
Intercompany notes and advances payable—short term	27,331	—	362	—	—	—	1,482	—	2,714	1,193	—	879	—	459	50,801	(85,221)	—
Accrued expenses and other current liabilities	24,045	4,122	2,507	15,760	9,569	388	4,897	1,187	10,792	2,720	6,932	1,183	6,822	30,134	40,289	(2,331)	159,016
Total current liabilities	447,200	12,122	19,312	69,292	110,826	4,866	85,549	35,049	318,209	60,936	60,494	52,864	35,067	374,360	108,530	(320,968)	1,473,708
LONG TERM DEBT, less current maturities	659,432	23,103	—	428	6,946	11,791	—	—	—	—	—	—	613	9,634	28,307	(5,723)	734,531
DEFERRED INCOME TAXES	39,143	95,695	10,880	14,955	18,851	4,454	6,181	4,755	2,735	5,292	7,537	514	364	22,008	39,946	—	273,310
OTHER LONG-TERM LIABILITIES	106,590	1,725	—	2	—	—	—	602	945	—	—	1	—	—	30,800	—	140,665
INTERCOMPANY NOTES & ADVANCES PAYABLE	460,704	4,326	4,994	56,869	—	6,239	—	—	—	34,820	2,996	—	—	270,206	—	(841,154)	—
STOCKHOLDERS' EQUITY:																	
Treasury Stock—Perini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(658)	658	—
Common stock	49,073	—	7	1	2,233	10	95	4	11	—	—	1	1,500	6	712	(4,580)	49,073
Additional paid-in-capital	1,035,514	27,406	1	56,297	37,168	1	—	279	6,303	9,999	22,437	1	16,250	226,112	188,321	(598,573)	1,035,516
Retained earnings (deficit)	(684,174)	23,934	49,750	22,664	141,074	1,802	427,830	20,682	127,378	1,207	(6,483)	179,739	36,158	205,674	(93,142)	(76,290)	377,883
Accumulated and other comprehensive loss	(34,805)	—	—	(7,188)	—	—	—	—	—	—	—	—	(796)	624	—	—	(42,165)
TOTAL STOCKHOLDERS' EQUITY	365,608	51,340	49,758	71,774	180,475	1,813	427,925	20,965	133,692	11,206	15,954	179,741	53,112	432,416	95,233	(678,785)	1,420,227
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,078,677	$ 188,311	$ 84,944	$ 213,320	$ 317,098	$ 29,163	$ 519,655	$ 61,371	$ 455,581	$ 112,254	$ 86,981	$ 233,120	$ 89,156	$ 1,108,624	$ 302,816	$ (1,838,630)	$ 4,042,441

NOTE: Consolidating Balance Sheet is presented using the cost method of accounting.
NOTE: Proportional share of joint venture assets and liabilities are included in the respective amounts shown above.
NOTE: Consolidating Balance Sheet does not reflect adjustments for push-down accounting relative to goodwill and intangible assets.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Artech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company.
NOTE: Management has determined the allocation of intercompany notes and receivable (or advance payable) balances between current assets (liabilities) and noncurrent assets (liabilities) based upon management's intent as to when such amounts will be settled.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands, except per share data)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.
REVENUE	$ 1,030,133	$ 30,021	$ 43,903	$ 266,693	$ 547,447	$ 9,419	$ 352,442	$ 124,902
COST OF OPERATIONS	(886,604)	(37,356)	(42,498)	(263,282)	(483,331)	(10,485)	(364,397)	(120,941)
GROSS PROFIT	143,529	(7,335)	1,405	3,411	64,116	(1,066)	(11,955)	3,961
General and administrative expenses	(77,806)	(67)	(4,453)	(12,838)	(13,939)	(2,079)	(14,815)	(1,649)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	65,723	(7,402)	(3,048)	(9,427)	50,177	(3,145)	(26,770)	2,312
Other income (expense), net	8,155	(36)	1	(780)	1,126	1,663	5	—
Interest expense	(41,006)	—	(6)	(279)	(427)	(521)	(6)	—
INCOME (LOSS) BEFORE INCOME TAXES	32,872	(7,438)	(3,053)	(10,486)	50,876	(2,003)	(26,771)	2,312
(Provision) Benefit for income taxes	(8,325)	1,996	1,288	5,022	(21,061)	768	10,731	(993)
NET INCOME (LOSS)	$ 24,547	$ (5,442)	$ (1,765)	$ (5,464)	$ 29,815	$ (1,235)	$ (16,040)	$ 1,319

	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
REVENUE	$ 940,372	$ 146,125	$ 267,674	$ 74,220	$ 108,213	$ 1,228,030	$ —	$ (249,122)	$ 4,920,472
COST OF OPERATIONS	(909,765)	(145,942)	(255,276)	(65,748)	(98,093)	(1,147,786)	18,163	249,122	(4,564,219)
GROSS PROFIT	30,607	183	12,398	8,472	10,120	80,244	18,163	—	356,253
General and administrative expenses	(18,720)	(6,024)	(9,601)	(6,993)	(7,063)	(72,821)	(1,972)	—	(250,840)
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	11,887	(5,841)	2,797	1,479	3,057	7,423	16,191	—	105,413
Other income (expense), net	47	4	38	8	313	1,095	814	—	12,453
Interest expense	—	—	—	—	(162)	(341)	(1,279)	—	(44,027)
INCOME (LOSS) BEFORE INCOME TAXES	11,934	(5,837)	2,835	1,487	3,208	8,177	15,726	—	73,839
(Provision) Benefit for income taxes	(4,905)	(63)	(1,497)	(592)	(136)	(4,877)	(5,903)	—	(28,547)
NET INCOME (LOSS)	$ 7,029	$ (5,900)	$ 1,338	$ 895	$ 3,072	$ 3,300	$ 9,823	$ —	$ 45,292

NOTE: Consolidating Statement of Operations is presented using the cost method of accounting.
NOTE: Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
BALANCE - December 31, 2014	$ (708,721)	$ 29,376	$ 51,515	$ 28,128	$ 111,259	$ 3,037	$ 443,870	$ 19,363	$ 120,349	$ 7,107	$ (7,821)	$ 178,844	$ 33,086	$ 202,374	$ (102,965)	$ (76,290)	$ 332,511
Net Income (Loss)	24,547	(5,442)	(1,765)	(5,464)	29,815	(1,235)	(16,040)	1,319	7,029	(5,900)	1,338	895	3,072	3,300	9,823	—	45,292
BALANCE - December 31, 2015	$ (684,174)	$ 23,934	$ 49,750	$ 22,664	$ 141,074	$ 1,802	$ 427,830	$ 20,682	$ 127,378	$ 1,207	$ (6,483)	$ 179,739	$ 36,158	$ 205,674	$ (93,142)	$ (76,290)	$ 377,803

NOTE: Consolidating Statement of Retained Earnings is presented using the cost method of accounting
NOTE: Proportional share of joint venture net income (loss) is included in the respective amounts shown above.
NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Aurtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands)

	Tutor Perini Corp.	Tutor-Saliba Corp.	Cherry Hill Construction Inc.	Frontier-Kemper Constructors	Lunda Construction Co.	Becho, Inc.	Tutor Perini Bldg. Co. Inc.	James A. Cummings, Inc.	Rudolph & Sletten, Inc.	Keating Building Co.	Anderson Companies, Inc.	Perini Management Services Inc.	Black Construction Investments, Inc.	Specialty Contractors Group	Other Subs.	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:																	
Net Income	$ 24,547	$ (5,442)	$ (1,765)	$ (5,464)	$ 29,815	$ (1,235)	$ (16,040)	$ 1,319	$ 7,029	$ (5,900)	$ 1,338	$ 895	$ 3,072	$ 3,300	$ 9,823	$ —	$ 45,292
Adjustments to reconcile net income to net cash from operating activities:																	
Depreciation	6,517	5,624	565	4,068	2,492	1,026	884	97	962	170	390	19	1,714	3,704	9,696	—	37,919
Amortization of intangible assets and debt issuance costs	5,810	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,810
Share-based compensation expense	9,477	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9,477
Adjustment of investments to fair value	(9)	—	—	—	—	—	—	—	—	—	—	—	—	9	—	—	—
Excess income tax benefit from stock-based compensation	(186)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(186)
Deferred income taxes	(114,507)	75,264	5,091	13,690	11,244	2,220	4,812	(930)	(68)	4,861	(12,604)	(126)	(617)	20,740	13,144	—	22,214
Loss (Gain) on sale of property and equipment	(2,260)	—	(20)	3	(410)	(233)	—	—	(14)	(14)	(38)	—	212	(148)	13	—	(2,909)
Other long-term liabilities	(4,813)	(157)	273	—	—	(39)	1,261	436	945	—	—	265	—	(58)	30,799	—	28,912
Other non-cash items	2,327	—	—	(4,763)	—	—	—	—	129	—	(1,077)	—	(591)	(105)	—	400	(3,680)
Changes in other components of working capital	(155,597)	17,247	(9,858)	(32,683)	(9,479)	7,800	131,255	(13,462)	4,834	(25,748)	5,358	298	1,109	(18,789)	(52,427)	21,365	(128,777)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(228,694)	92,536	(5,714)	(25,149)	33,662	9,539	122,172	(12,549)	13,817	(26,631)	(6,633)	1,351	4,899	8,653	11,048	21,765	14,072
CASH FLOWS FROM INVESTING ACTIVITIES:																	
Acquisition of property and equipment	(21,498)	—	(49)	(3,316)	(4,043)	(181)	(168)	(482)	(570)	(1,415)	(233)	(11)	(772)	(1,192)	(1,982)	—	(35,912)
Proceeds from sale of property and equipment	2,259	—	217	1	1,128	487	—	—	17	14	93	—	162	197	405	—	4,980
Change in restricted cash	1	—	—	—	428	—	—	—	—	—	240	—	—	1,322	(3,474)	—	(1,483)
(Increase) Decrease in intercompany advances	—	—	270	—	(41,356)	—	(122,320)	12,965	(13,264)	—	4,449	(1,340)	(1,288)	(15,370)	—	177,254	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(19,238)	—	438	(3,315)	(43,843)	306	(122,488)	12,483	(13,817)	(1,401)	4,549	(1,351)	(1,898)	(15,043)	(5,051)	177,254	(32,415)
CASH FLOWS FROM FINANCING ACTIVITIES:																	
Proceeds from debt	978,731	—	—	(776)	—	270	—	—	—	—	—	—	1	(5)	254	34,730	1,013,205
Repayment of debt	(959,577)	(2,426)	(81)	(5,993)	(7,969)	(2,562)	—	—	—	—	—	—	(955)	(613)	(14,195)	(60,000)	(1,054,371)
Excess income tax benefit from share-based compensation	186	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	186
Issuance of common stock and effect of cashless exercise	(808)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(808)
(Decrease) Increase in intercompany advances	201,511	(89,686)	5,357	36,138	—	(8,249)	—	—	—	27,185	2,996	—	—	9,044	(14,390)	(169,906)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	220,043	(92,112)	5,276	29,369	(7,969)	(10,541)	—	—	—	27,185	2,996	—	(954)	8,426	(28,331)	(195,176)	(41,788)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(27,889)	424	—	905	(18,150)	(696)	(316)	(66)	—	(847)	912	—	2,047	2,036	(22,334)	3,843	(60,131)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75,087	415	—	13,613	20,294	794	316	1,597	—	847	1,022	—	8,836	—	23,695	(10,933)	135,583
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 47,198	$ 839	$ —	$ 14,518	$ 2,144	$ 98	$ —	$ 1,531	$ —	$ —	$ 1,934	$ —	$ 10,883	$ 2,036	$ 1,361	$ (7,090)	$ 75,452
SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR:																	
Interest	$ 41,962	$ 16	$	$ 285	$ 427	$ 321	$ 6	$ —	$ —	$ —	$ —	$ —	$ 163	$ 341	$ 1,329	$ —	$ 45,055
Income taxes	$ 32,651	$ —	$ —	$ 319	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 111	$ 2,190	$ 28	$ —	$ —	$ 35,299

NOTE: Specialty Contractors Group consists of the following subsidiaries: Five Star Electric Corporation, Airtech Systems Inc., WDF, Inc., Nagelbush Mechanical Inc., Federated Fire Protection, Greenstar companies, Desert Mechanical, Inc., Superior Gunite and Fisk Electric Company

PROOF OF STATUS AS
VETERAN

Black Construction Corporation is not a Veteran-Owned Company

FORMS OR DOCUMENTS
REQUIRED BY BID

APPENDIX K
AFFIDAVIT RE GRATUITIES OR KICKBACKS

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae
______________________ *(state name of affiant signing below)*, being first duly sworn, deposes, and says that:

1. The name of the offering company or individual is Black Construction Corporation.
(state name of company)
Affiant is an officer of the offeror *(state one of the following: the offeror, a partner of the offeror, an officer of the offeror)* making the foregoing identified bid or proposal.

2. To the best of affiant's knowledge, neither affiant, nor any of the offeror's officers, representative, agents, subcontractors, or employees have violated, are violating the prohibition against gratuities and kickbacks set forth in 2 GAR Division 4 §11107(e). Further, affiant promises, on behalf of offeror, not to violate the prohibition against gratuities and kickbacks as set forth in 2 GAR Division 4 §11107(e).

3. To the best of affiant's knowledge, neither affiant, nor any of the offeror's officers, representatives, agents, subcontractors, or employees have been offered, given or agreed to give, any government of Guam employee or former government employee, any payment, gift, kickback, gratuity or offer of employment in connection with the offeror's proposal.

4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

____
Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 2019.

____
NOTARY PUBLIC

My commission expires DEC. 14, 2019.

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **DEC. 14, 2019**
P.O. Box 24667 Barrigada, Guam 96921

APPENDIX L
AFFIDAVIT RE ETHICAL STANDARDS

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae (*state name of affiant signing below)*, being first duly sworn, deposes, and says that:

The affiant is an officer of the offeror *(state one of the following: the offeror, a partner of the offeror, an officer of the offeror)* making the foregoing identified bid or proposal. To the best of affiant's knowledge, neither affiant nor any officers, representatives, agents, subcontractors, or employees of offeror have knowingly influenced any government of Guam employee to breach any of the ethical standards set forth in 5 GCA Chapter 5, Article 11. Further, affiant promises that neither he or she, nor any officer, representative, agent, subcontractor, or employee of offeror will knowingly influence any government of Guam employee to breach any ethical standards set for in 5 GCA Chapter 5, Article 11. These statements are made pursuant to 2 GAR Division 4 §11103(b).

Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 20 19.

NOTARY PUBLIC

My commission expires DEC. 14, 20 19.

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **DEC. 14, 2019**
P.O. Box 24667 Barrigada, Guam 96921

APPENDIX M

AFFIDAVIT RE CONTINGENT FEES

(Prime Bidder)

TERRITORY OF GUAM)
) s.s.
HAGATNA, GUAM)

Leonard K. Kaae
______________________ *(state name of affiant signing below)*, being first duly sworn, deposes, and says that:

1. The name of the offering company or individual is Black Construction Corporation
(state name of company)

2. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract. This statement is made pursuant to 2 GAR Division 4 11108(f).

3. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained a person to solicit or secure a contract with the government of Guam upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bon fide established commercial selling agencies for the purpose of securing business. This statement is made pursuant to 2 GAR division 4 11108(h).

4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

____
Signature of one of the following:

Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.

Subscribed and sworn to before me this 29th day of May, 2019.

____
NOTARY PUBLIC

JULIE WENDA T. GALILA
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: DEC. 14, 2019
P.O. Box 24667 Barrigada, Guam 96921

My commission expires DEC. 14, 2019.

SECRETARY'S CERTIFICATE

I, John D. Barrett, certify that I am the Assistant Secretary and an officer of Black Construction Corporation, a corporation duly organized and existing under the laws of Guam (the "Corporation"), and that as such I have access to and custody of the corporate records and minute books of the Corporation; and

I further certify:

That the following represents a complete and current list of officers of the Corporation:

Ronald N. Tutor	President
Leonard K. Kaae	Senior Vice President and General Manager
Mark J. Mamczarz	Vice President, Treasurer and Secretary
John McSweeney	Vice President
John D. Barrett	Vice President, Assistant Treasurer & Assistant Secretary

IN WITNESS WHEREOF, I have hereunto set my hand by order of the Board of Directors thereof this 12th day of February, 2019.

John D. Barrett, Assistant Secretary

I, Mark J. Mamczarz, certify that I am the Secretary and officer of Black Construction Corporation, a corporation duly organized and existing under the laws of Guam (the "Corporation") , and hereby certify this is a true and correct copy.

Mark J. Mamczarz, Secretary

Corporate Seal