MoDOT’s Approach to Program Management

Kevin Keith
Chief Engineer
Missouri Department of Transportation
Current Climate

Percent Increase in Price of Steel, Concrete, Asphalt
(compared to 2003)

Example: ’05 concrete is 56% higher than in ’03!
Total Revenue

[Graph showing total revenue for various fiscal years from 2002 to 2013, with categories labeled as follows:
- Motor Fuel
- MV Sales & Use Tax
- Federal (Available to Obligate)
- MV Licenses & Fees
- Interest & Misc.]

3
Results

• $5.7 billion program over 6 years (FY02-07) delivered within 0.013 percent of estimate.

• FY 2007 project awards were 7.4 percent ($89.8m) under budget.
A Change in Culture

• Radically control cost
• Maximize competition
• Seek innovation
Radical Cost Control

Implementation

Meeting Our Customers' Needs

Practical Design
Missouri Department of Transportation
What we used to do

BRIDGE TO BE REPLACED
Practical Design

Saved $139,000

Farmers elated with ability to cross with large equipment.
Practical Design

Saved $95,000
Value Engineering

Annual Dollar Amount Saved by Value Engineering - Const. phase

Federal Fiscal Year

Dollars (in millions)

2003 2004 2005 2006

0.17 0.74 0.79 3.27
• Employee incentive for delivering projects within 1 percent (or less) of contract award

• Individual incentive up to $2,000 per year
Maximize Competition

Alternate bidding
- Concrete or asphalt? Let the marketplace decide.
Maximize Competition

Alternate bidding
- Not just pavements - pipes, structures, bridges.
Number of Bidders

- 25 percent *more* bidders.
- 9-10 percent *decrease* in costs.
Innovation

Performance specifications
Eliminate method specifications where possible.
Design-Build

The New I-64

Safe & Sound

kCiCON
We’re Producing Results!

Smooth Roads Initiative

• Now, 74% of major roads in good condition!
Success by the Numbers

- 161 lives saved in ‘06 – 13 percent drop
  - *Biggest decrease in fatalities in U.S.*
- 16 percent reduction in run-off-the-road accidents
- 83 percent of ’07 newspaper editorials positive
- 85 percent of customers believe projects are right transportation solution
Rave Reviews

MOST IMPROVED ROADS
1. I-40 Arkansas
2. I-44 MISSOURI
3. I-70 MISSOURI
4. I-30 Arkansas
5. I-10 Texas
• Missouri jumped from 39th to 17th in overall performance of the state highway system. – Reason Foundation

• MoDOT has nation’s 3rd-lowest administrative costs.

“…Missouri has been able to address many needed projects to improve road and bridge conditions, enhance highway safety and ease congestion.” – TRIP report, June 2007