



Contractor Perspective TxDOT Cost Control Strategies

Presented by

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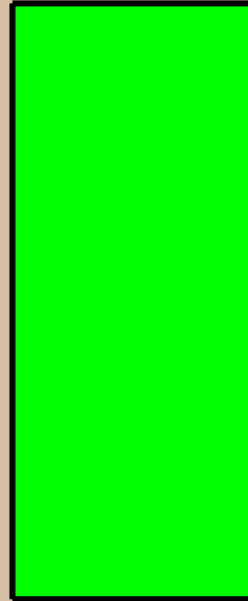
Vice President, Williams Brothers Construction Co.



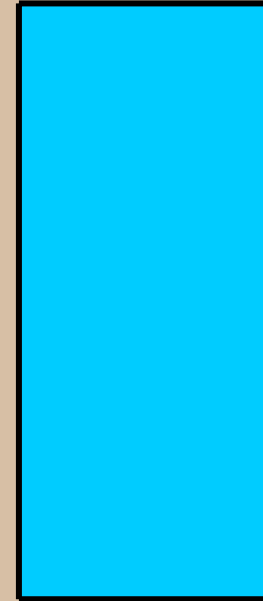
Building Your Quality of Life



What Makes Up a Bid Price?



COST



MARK-UP



Costs

- Direct Costs
 - Labor
 - Equipment Rent/Depreciation
 - Equipment Operating
 - Equipment Maintenance
 - Materials
 - Supplies



Costs

- Indirect Costs
 - Payroll Taxes
 - Sales Taxes
 - Insurance
 - Overhead (Fld & HO)
 - Other



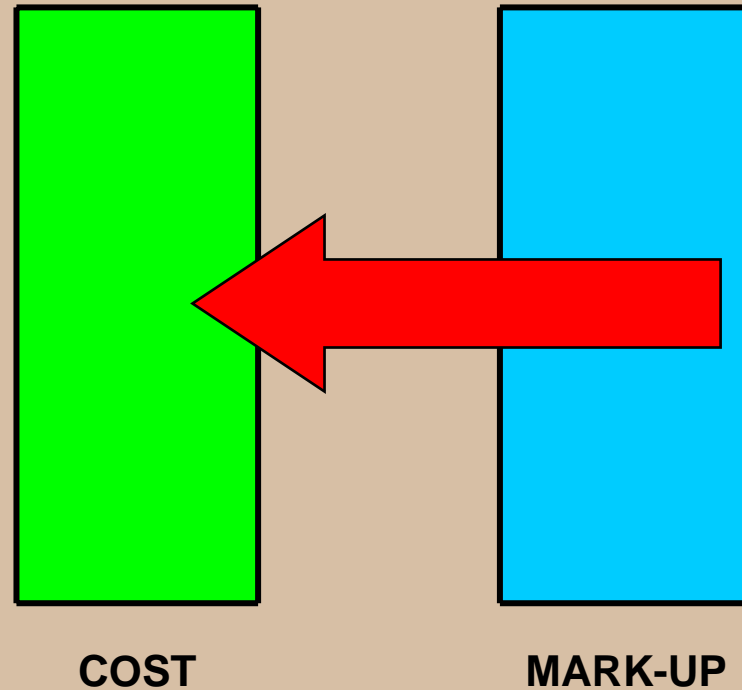


Mark Up

- Profit
- HOO
- Allowance for Corporate Income Taxes
- Net after Taxes ?



What Makes Up a Bid Price?





Process

- Cooperation
- Brainstorming
- More time – little review
- Outside expertise





Cost Reduction Principles

- Safety
- Sound engineering





Strategy Concepts

- Engineer every job
- Privatization
- Competition





Strategy Concepts

- Material pricing
- Avoid proprietary items
- Alternatives
- Stored materials





Other Concepts

- Sound business practices
 - Risk
 - Payment
 - Partnering & Dispute Resolution
- Preferred client posture





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Thanks!

