2007 Update
Survey on Construction Cost Increases and Competition

Summary of Responses
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Responding Agencies (2007 Update)

(38 States)

[Map showing states colored yellow (DE)]
Competition (2007 Update)

Q#1 - Have you experienced a decrease in the number of competitive bids per project over the past year?

- Yes (7)
- No (31)
- No response
**Average Number of Bids Per Project**

*Question # 3 – responses received from 33 to 40 contracting agencies for 2001-2006*
Why has competition decreased? (2007 Update)
(Q#5 - If competition has decreased in your state, to what do you attribute this situation?)

- Industry consolidation (contractors, quarries, etc.) (11 responses)
- Increased work with same number of contractors (10 responses)
- Downsizing of workforce due to instability of transportation funding (4 responses)
- Increased technical requirements in contracts (3 responses)
- Hurricane-related issues increasing non-highway construction demand (2 responses – AR, LA)
- Bankruptcies (1 response)
- Regulatory restrictions, such as environmental permits for plants and quarries (0 responses)
- Other (3 responses)
Q #7 - Have you experienced an increase in the number of single bids over the past year? (2007 Update)
Q #9 - Have you experienced an increase in the number of projects with only 2 bidders? (2007 Update)
Cost Increases (2007 Update)

Q#16 - Is your state experiencing significant cost increases in construction bids relative to similar previous projects?

Yes (25)
No (12)
No response
Cost Increases (2007 Update)

Q#18 - If your state is experiencing significant cost increases...

What was the percentage increase in the past year (2006 vs. 2005)?

Cost increase => 20%
Cost increase 10%-19%
Cost increase < 10%
Earthwork  Price Increases (2007 Update)

Q #19 - Percentage cost increase in the past year?

- Cost increase => 20%
- Cost increase 10%-19%
- Cost increase < 10%
Portland Cement Concrete  Price Increases  (2007 Update)
Q #19 - Percentage cost increase in the past year?

- Cost increase => 20%
- Cost increase 10%-19%
- Cost increase < 10%
Asphalt Price Increases (2007 Update)

Q #19 - Percentage cost increase in the past year?

- Cost increase => 20%
- Cost increase 10%-19%
- Cost increase < 10%
**Most Effective Initiatives to Control Costs/Increase Competition**

Q #26 - Which three initiatives have been the most effective (or which three does your state consider to be the most effective) in fostering competition and controlling costs?

1) Rejecting non-competitive bids and re-advertising (12, 3, 3)
2) Reducing contractor's risk (4, 1, 2)
3) Balancing work type in each letting (3, 4, 1)
4) Bundling projects (placing smaller projects together) (3, 4, 1)
5) Splitting large projects into smaller projects (3, 3, 2)
6) Conducting more frequent bid openings (1, 2, 2)
7) Updating construction cost estimate data (0, 4, 3)

*Number of responses for 1st, 2nd, and 3rd most effective initiatives*