



2007 Update

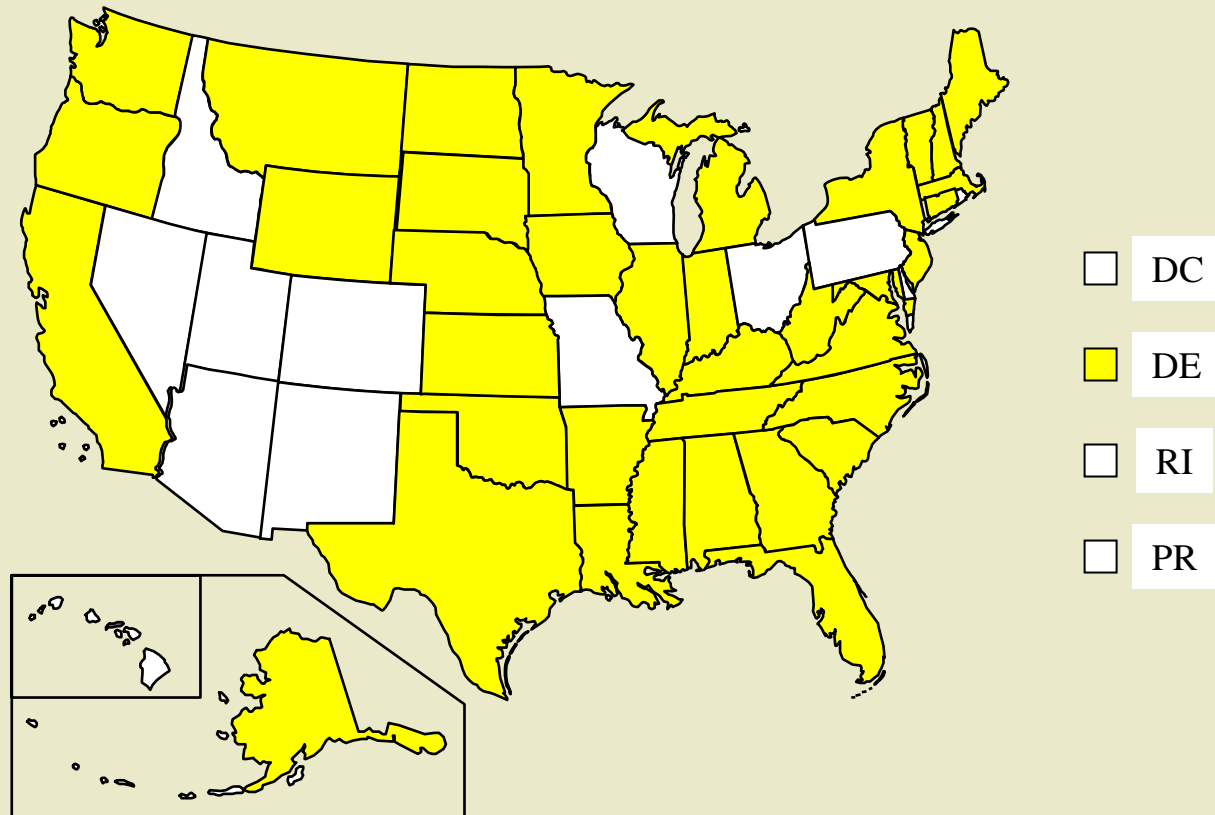
Survey on Construction Cost Increases and Competition

Summary of Responses
August 2007

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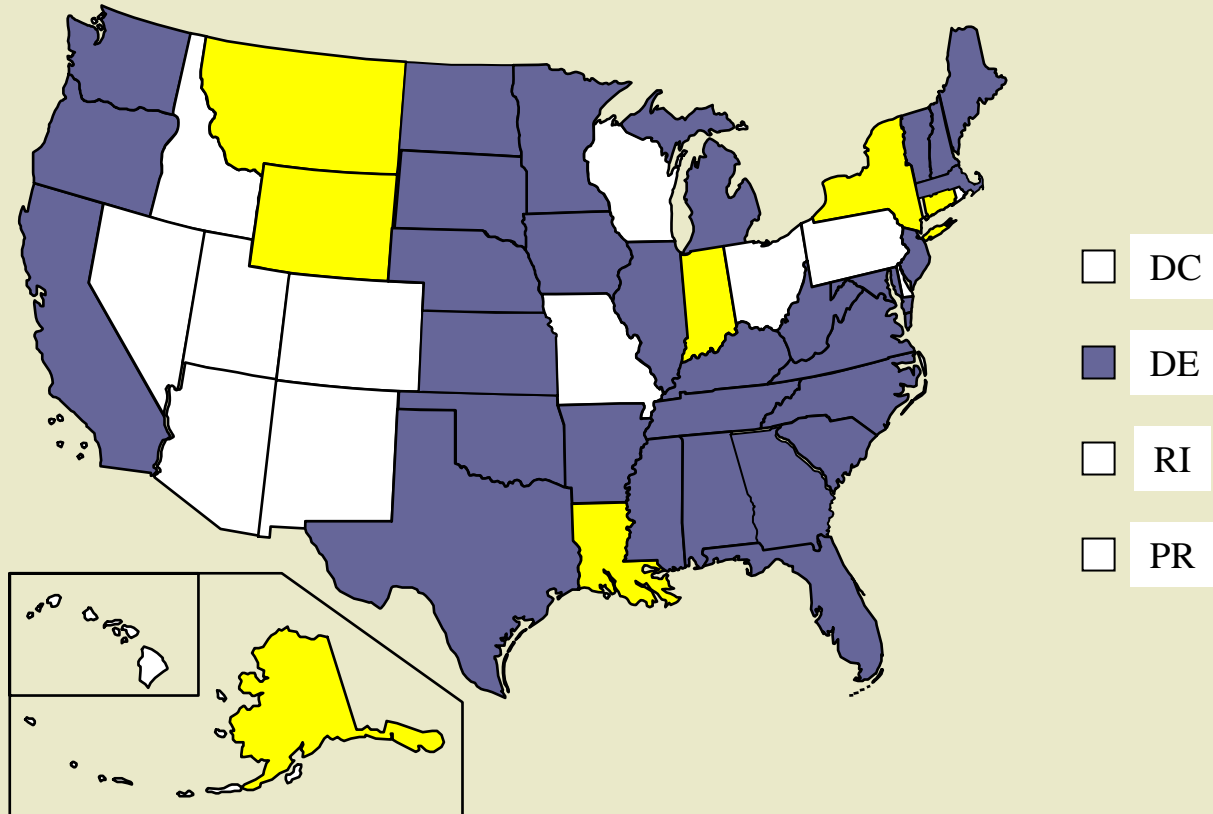
Responding Agencies *(2007 Update)*

(38 States)



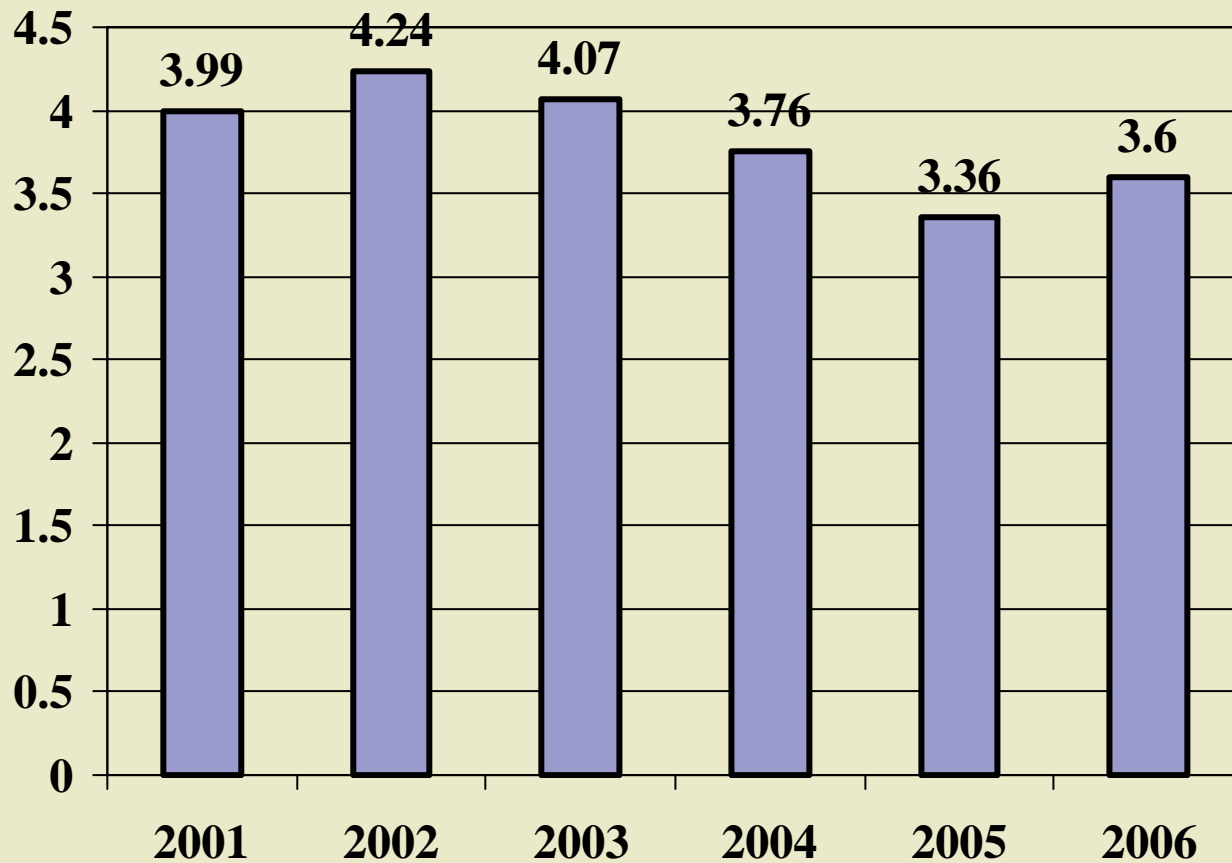
Competition (2007 Update)

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



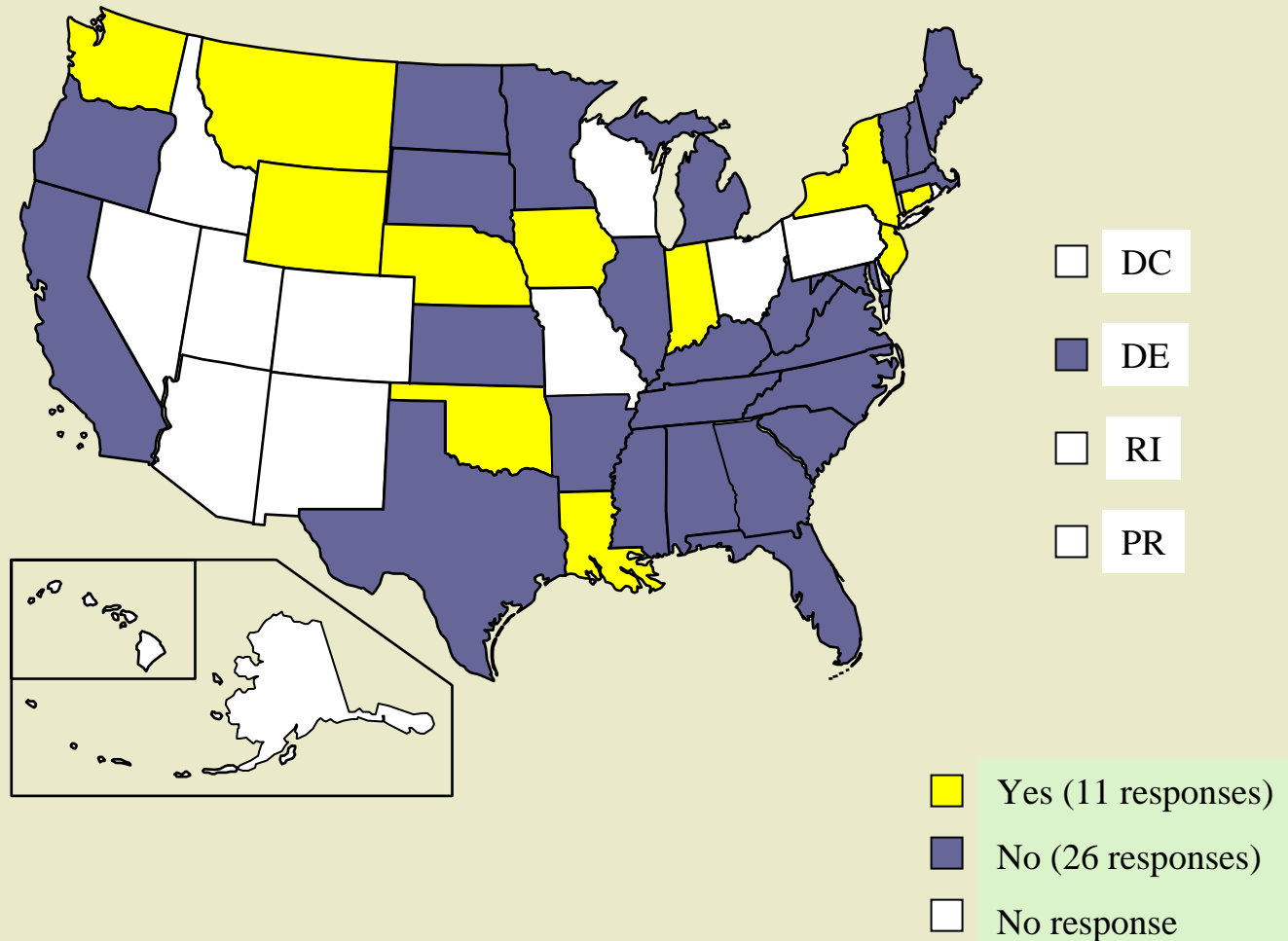
**Question # 3 – responses received from 33 to 40 contracting agencies for 2001-2006*

Why has competition decreased? *(2007 Update)*

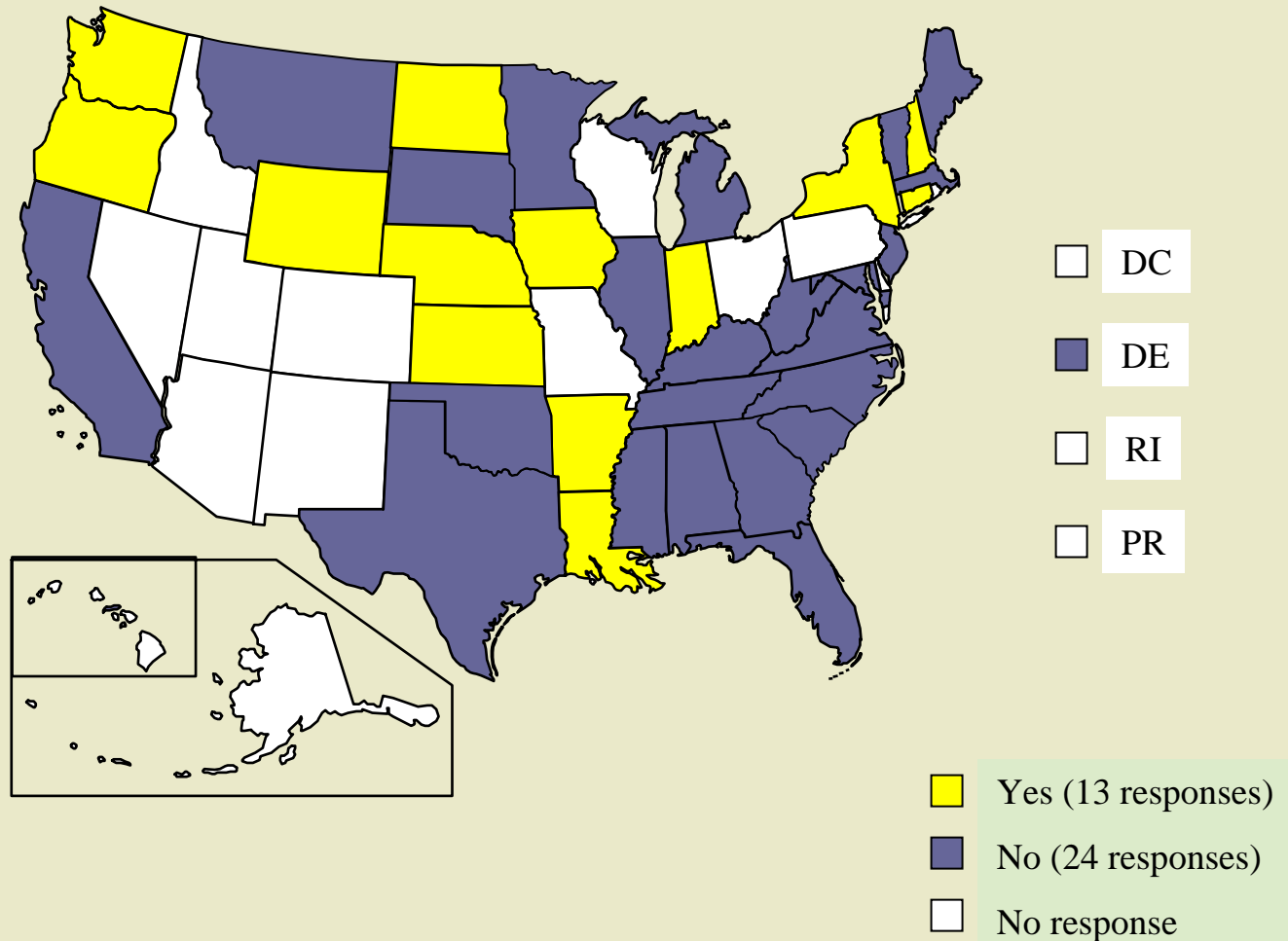
(Q#5 - If competition has decreased in your state, to what do you attribute this situation?)

- 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)

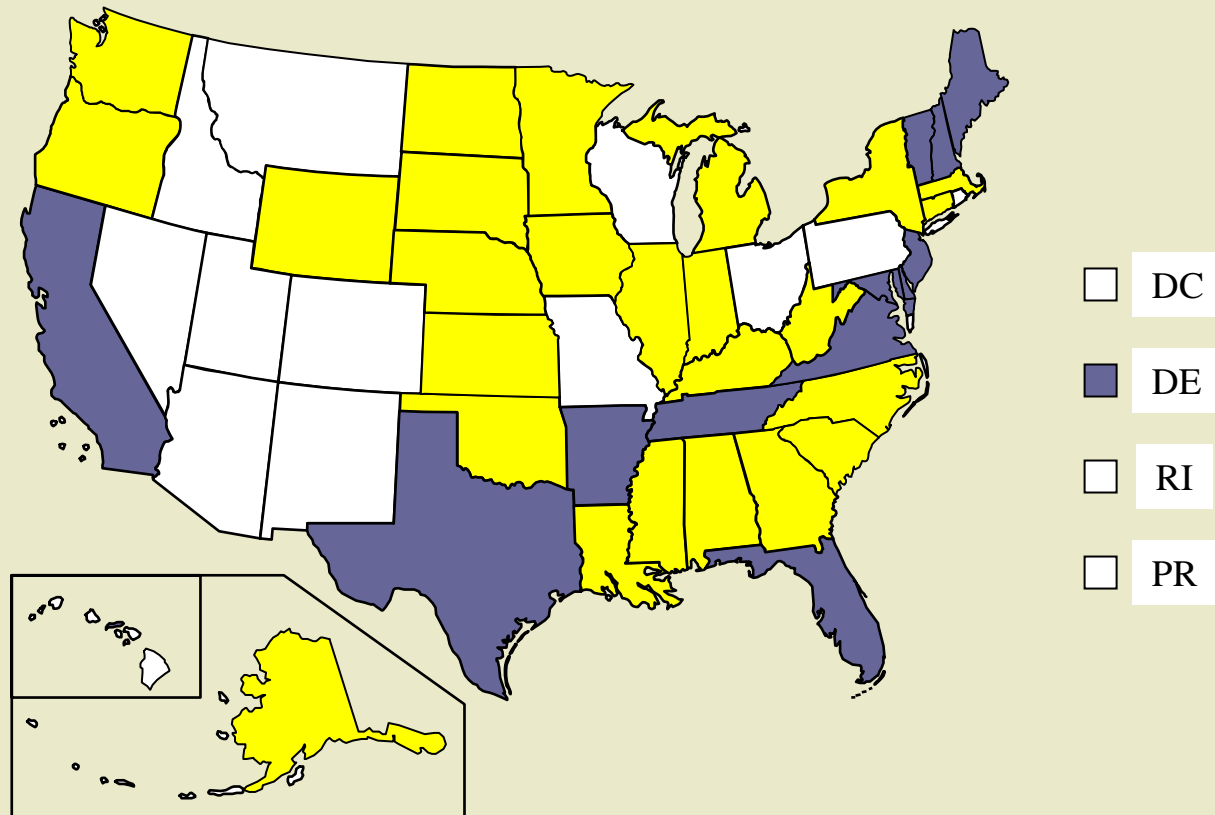


Q #9 - Have you experienced an increase in the number of projects with only 2 bidders? (2007 Update)



Cost Increases (2007 Update)

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



Yes (25)

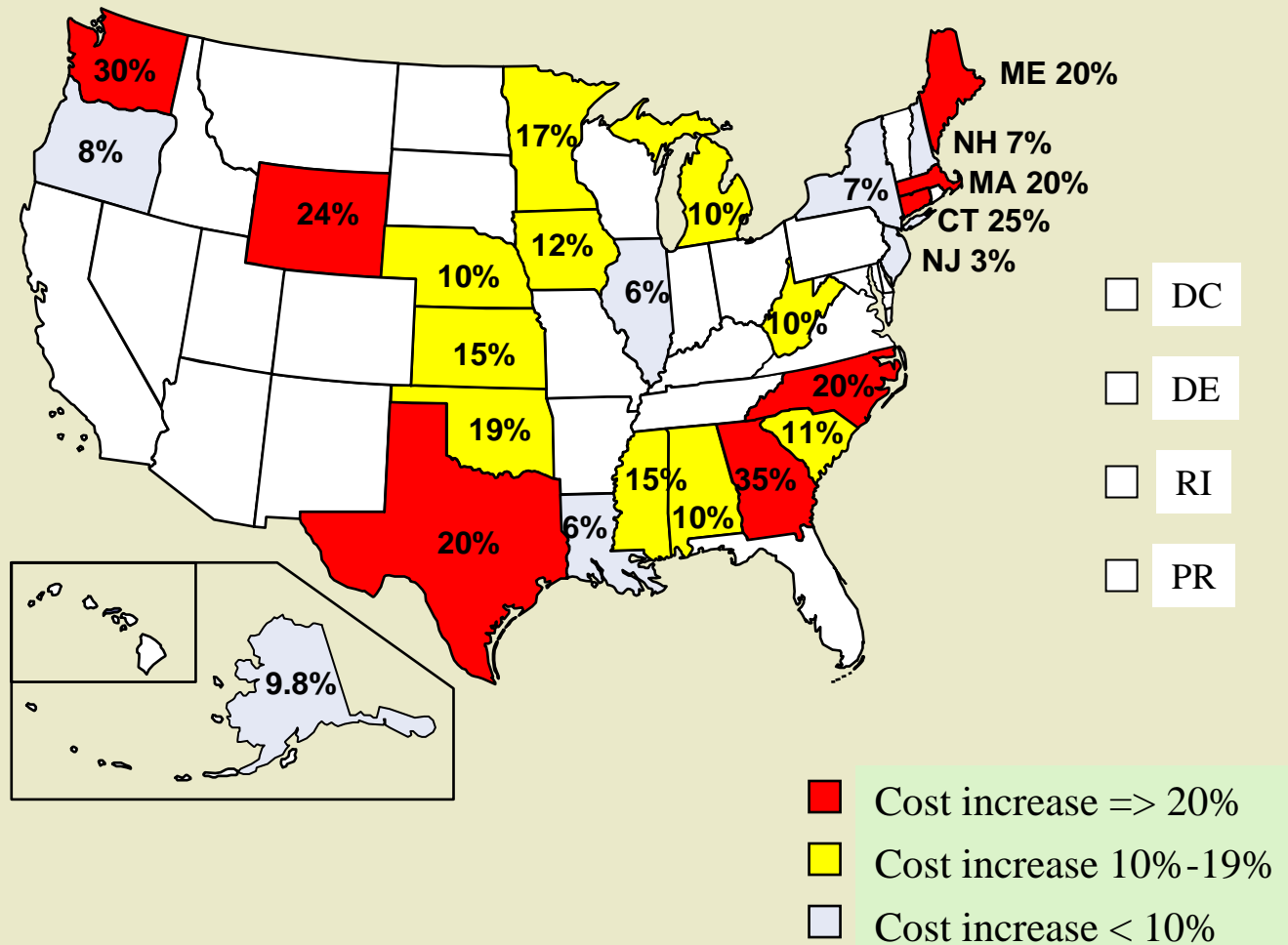
No (12)

No response

Cost Increases (2007 Update)

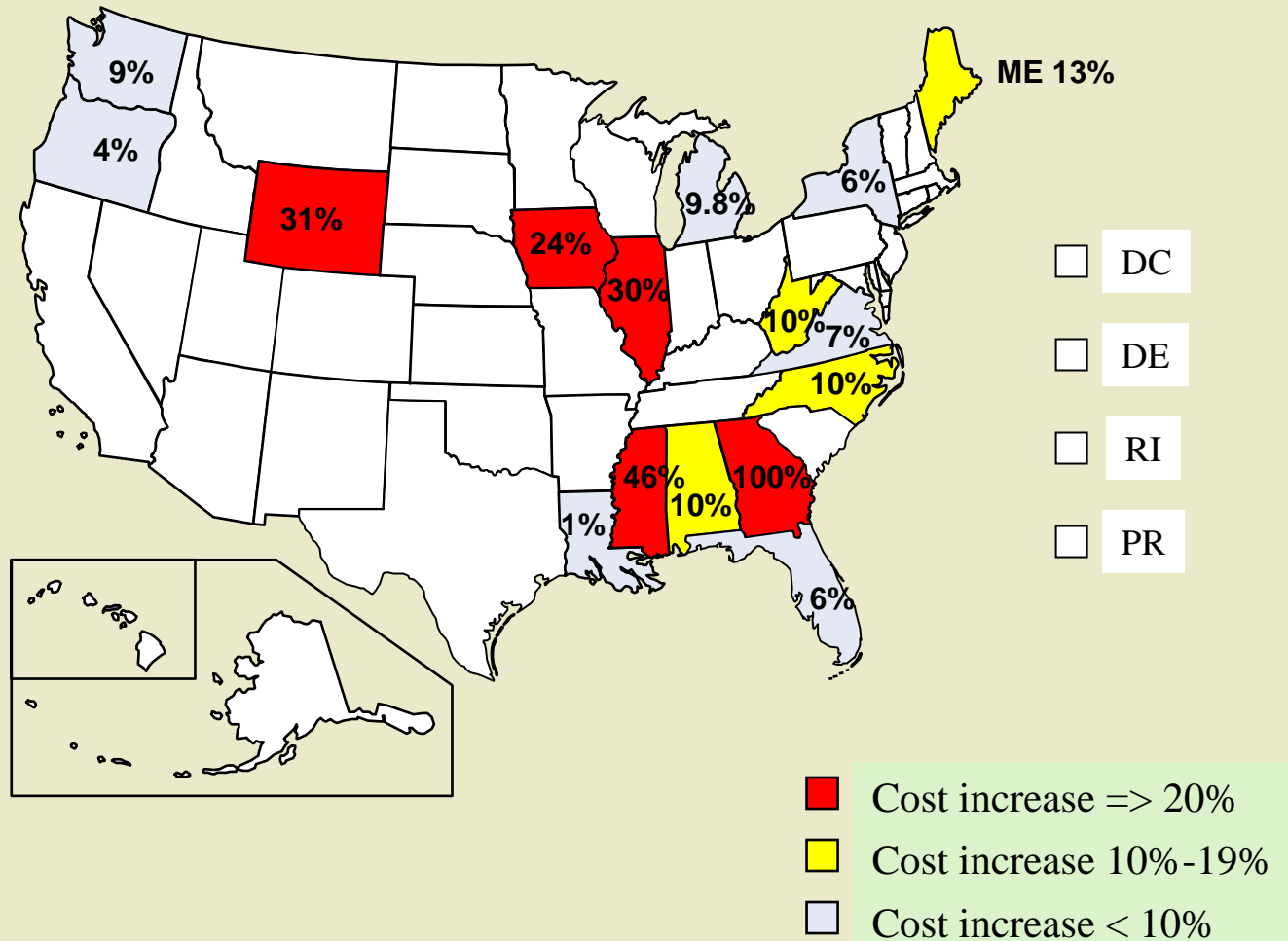
Q#18 - If your state is experiencing significant cost increases...

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



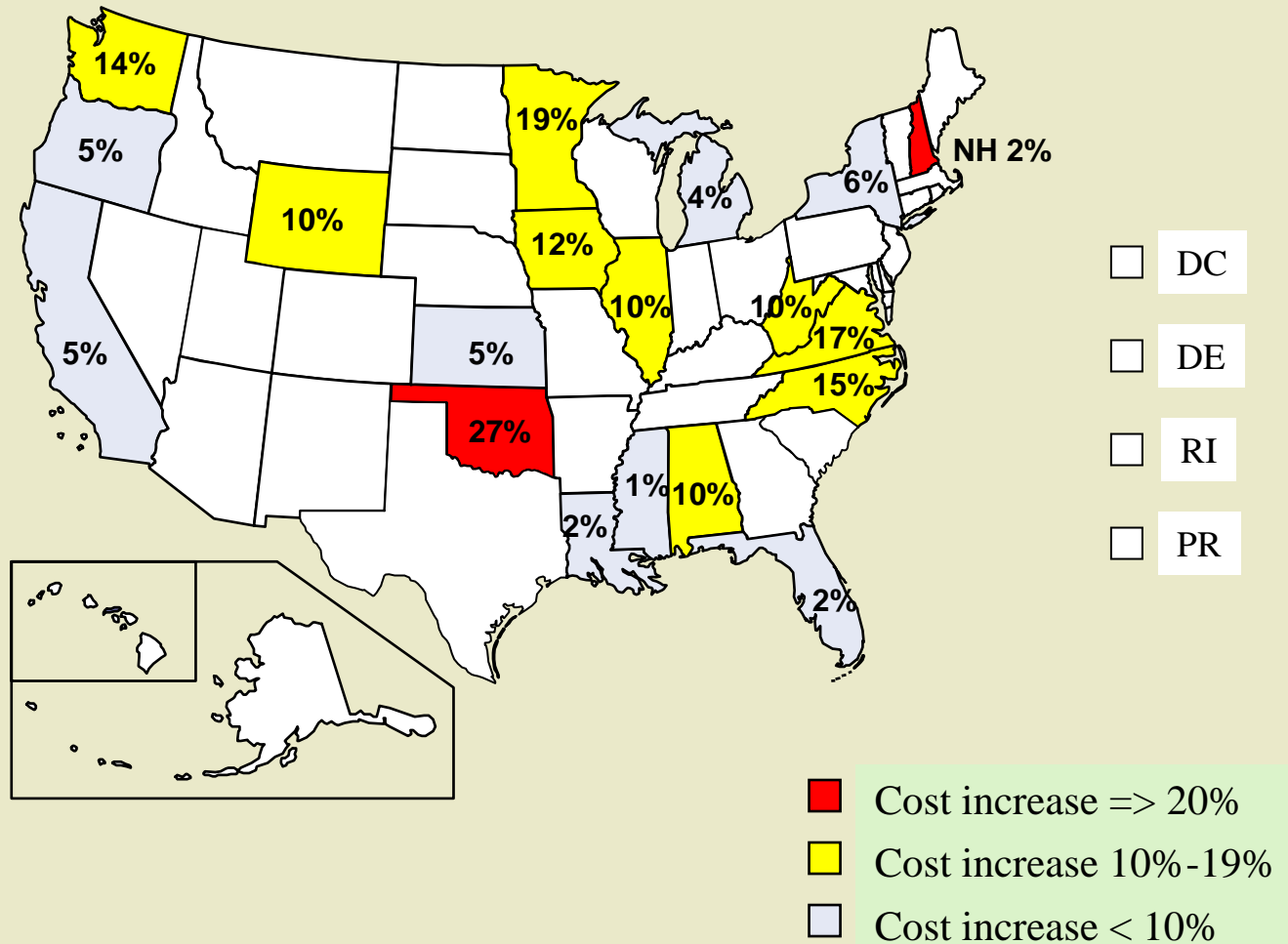
Earthwork Price Increases (2007 Update)

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



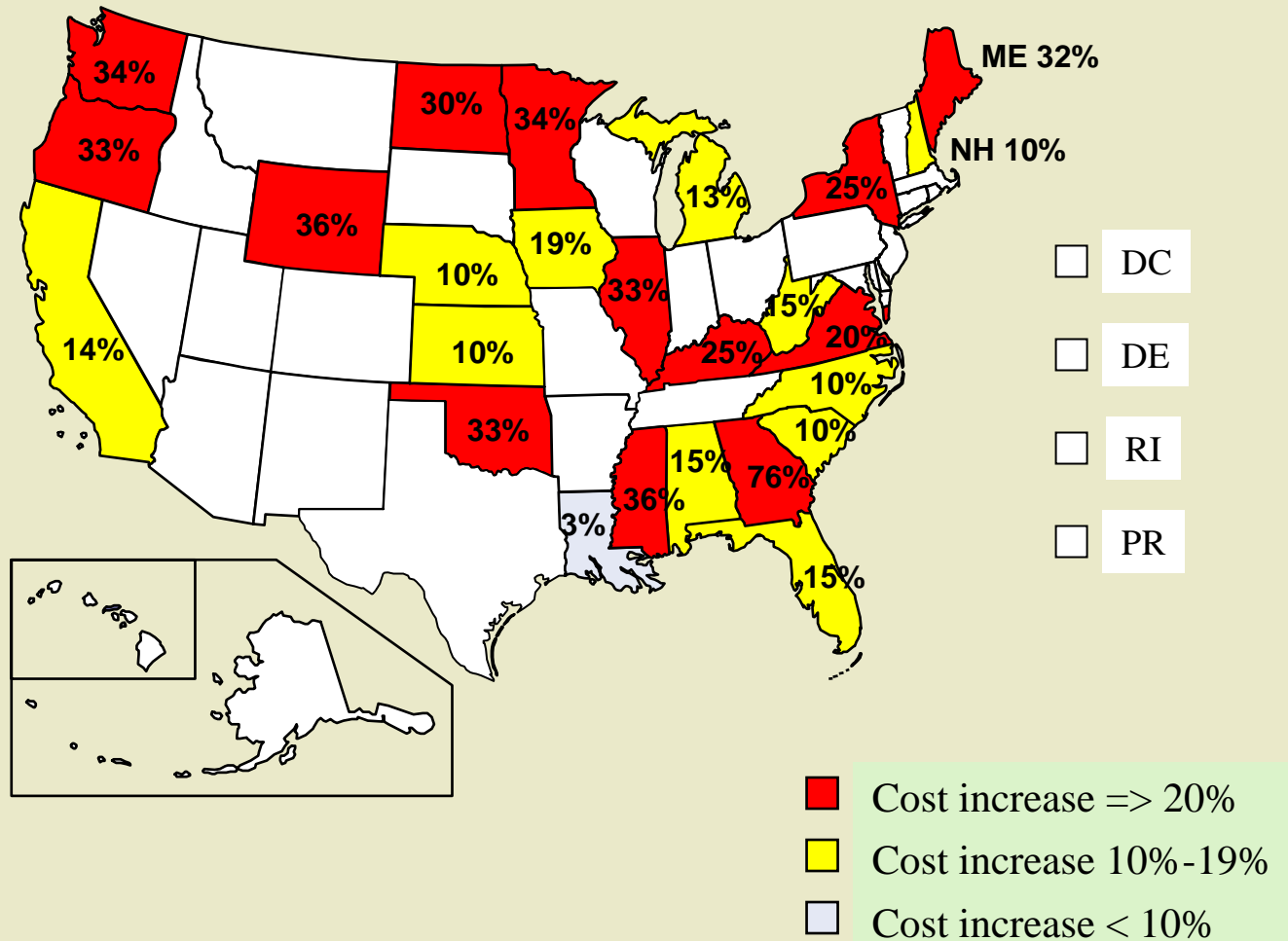
Portland Cement Concrete Price Increases (2007 Update)

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



Asphalt Price Increases (2007 Update)

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



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*