MoDOT’s Approach to Program Management

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Current Climate

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

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

Fiscal Year

Millions


Motor Fuel
MV Sales & Use Tax
MV Licenses & Fees
Interest & Misc.
Federal (Available to Obligate)
Results

• $4 billion program over 5 years (FY02-06) delivered within 0.8 percent of estimate

• As of January, FY 2007 project awards are 3.2 percent ($27m) 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

B E F O R E

Farmers elated with ability to cross with large equipment.

A F T E R
Practical Design

Saved $95,000
Value Engineering

Annual Dollar Amount Saved by Value Engineering - Const. phase

FY07 Goal: $10-15M savings for MoDOT and contractors alike.
• 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
We’re Producing Results!

Smooth Roads Initiative

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

• 173 lives saved in ‘06 – 14 percent drop
  • 3rd largest decrease in fatalities in U.S. according to USA Today

• 29 percent reduction in run-off-the-road accidents

• 79 percent of newspapers editorials are 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