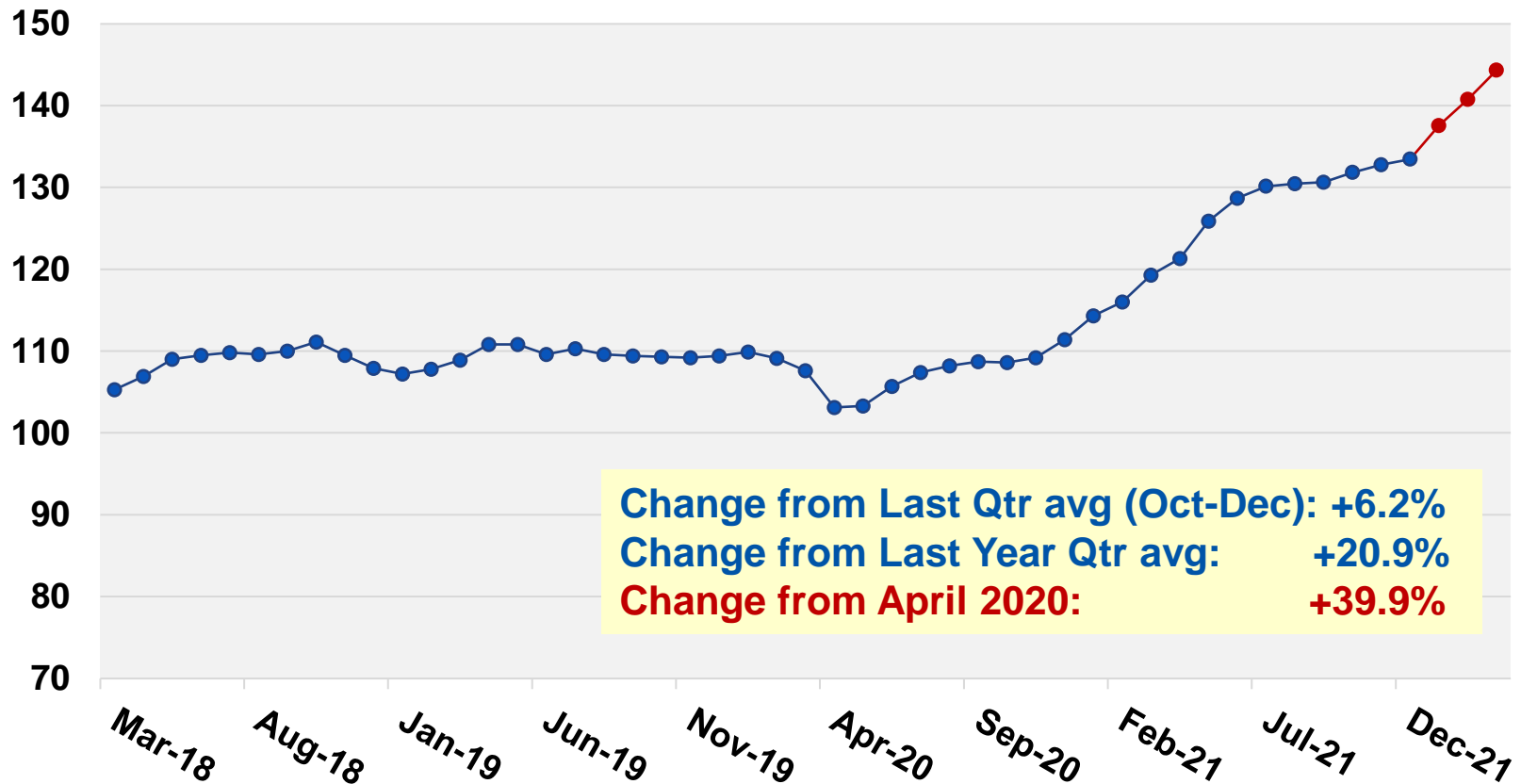


Impact of Inflation on the Cost of Construction
Florida Transportation Commission Meeting
May 26, 2022

State Estimates Office
Presented by: June Mobley, P.E.

Producer Price Index (PPI) for Highway & Street Construction

PPI Value



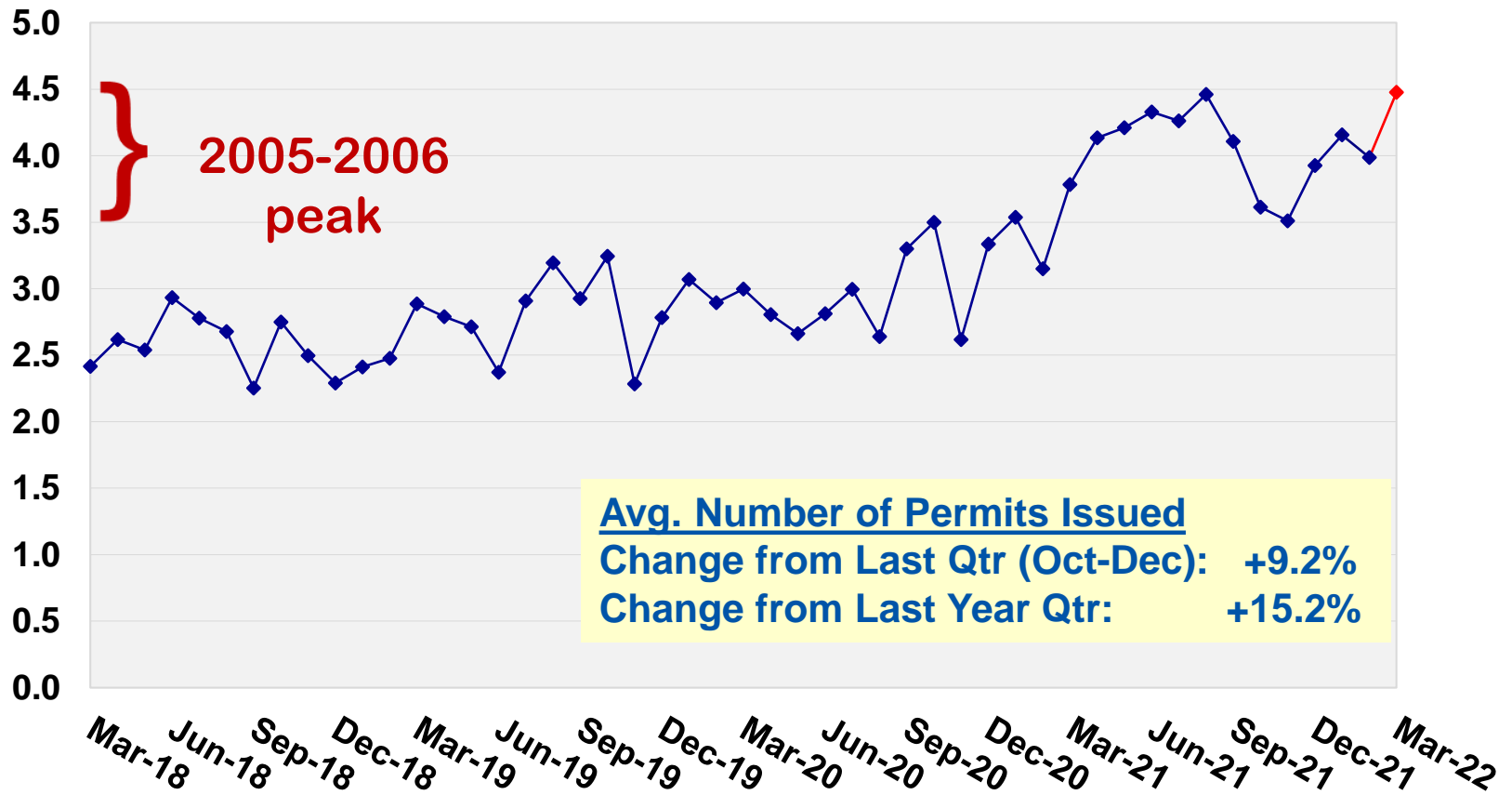
PPI for Highway and Street Construction (Base Dec. 2014)



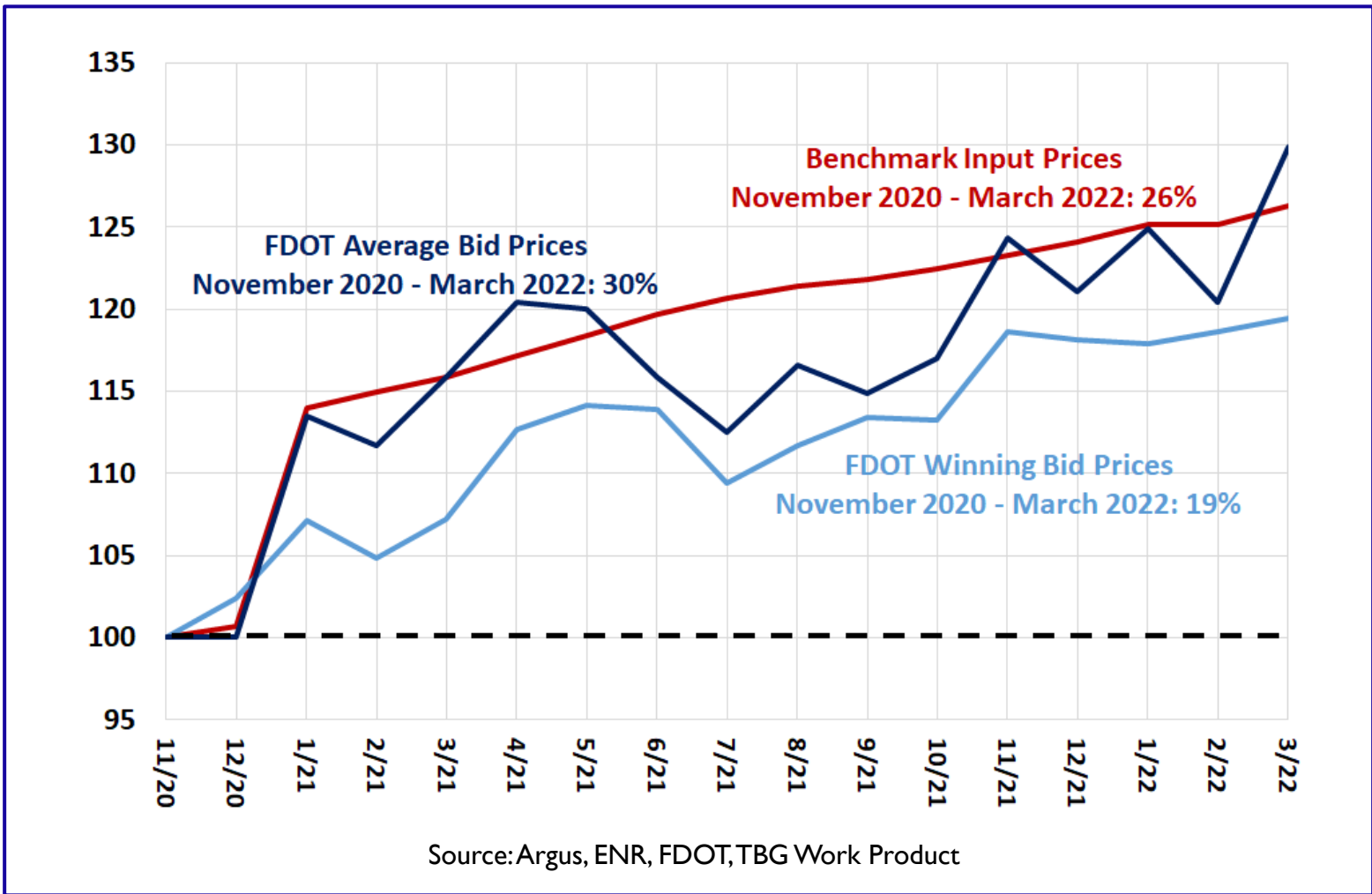
Florida Residential Building Permits



Monthly Value \$Billions

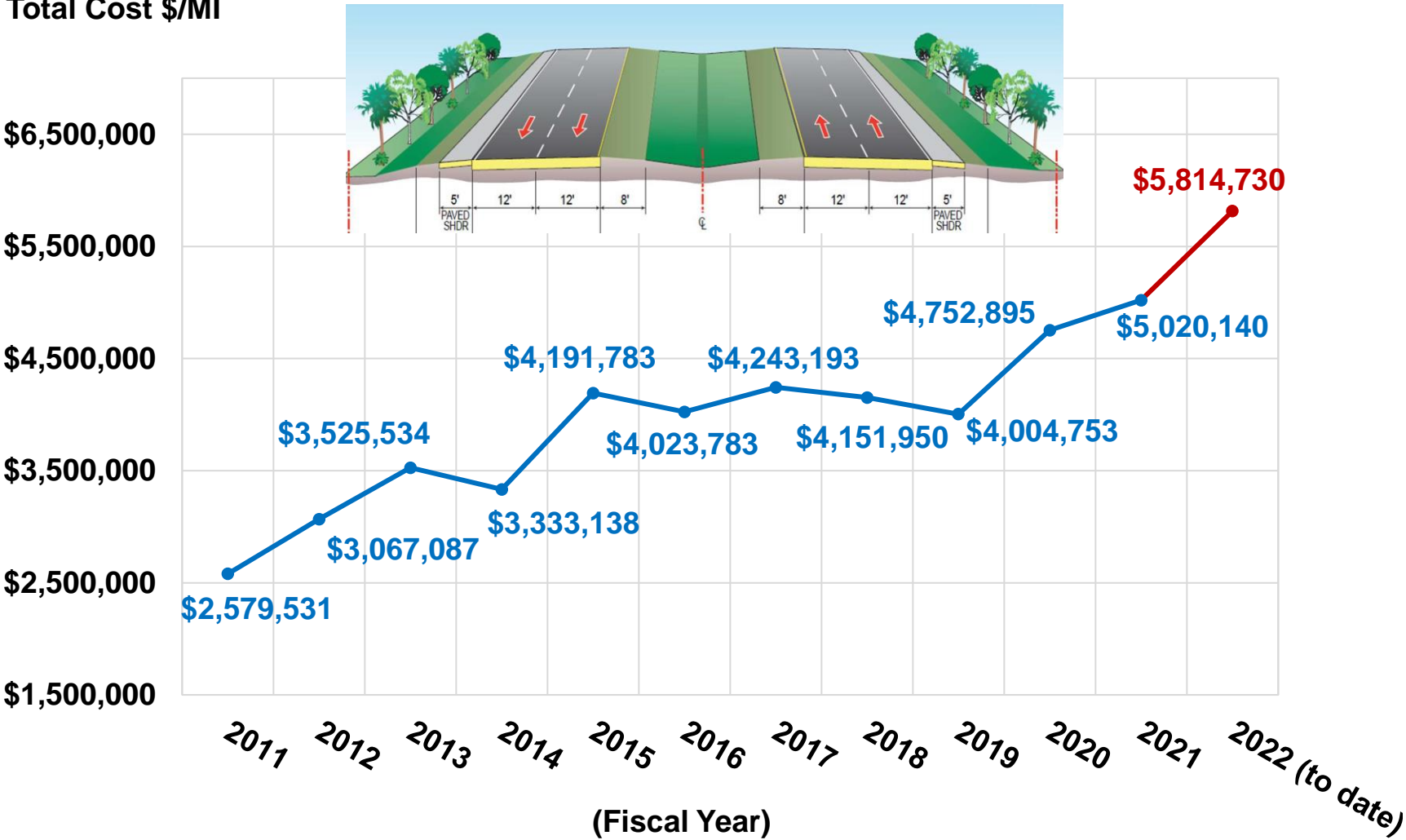


Florida Producer Input Prices vs. FDOT Bid Prices



New Construction - Divided Typical Section (FY 2011 – FY 2022 to date)

Total Cost \$/MI



Resurfacing - Divided Typical Section (FY 2011 – FY 2022 to date)



Florida Commodity Cost Trends

Asphalt Pavement (Quarterly through April 2022)

Cost \$/TN



NOTE: Lump Sum, Design-Build Contracts not included in this graph

Florida Commodity Cost Trends

Earthwork (Quarterly through April 2022)

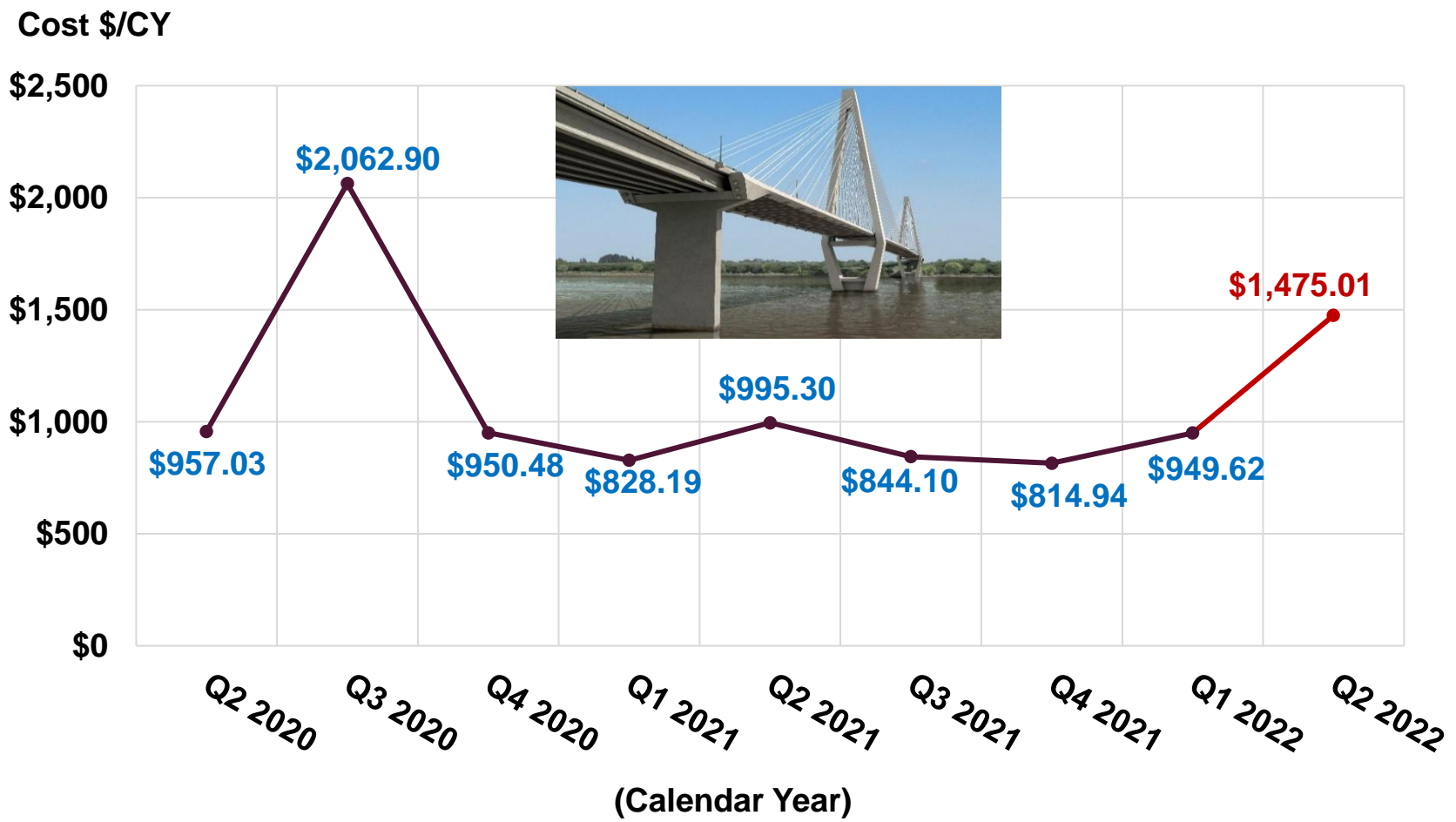
Cost \$/CY



NOTE: Lump Sum, Design-Build Contracts not included in this graph

Florida Commodity Cost Trends

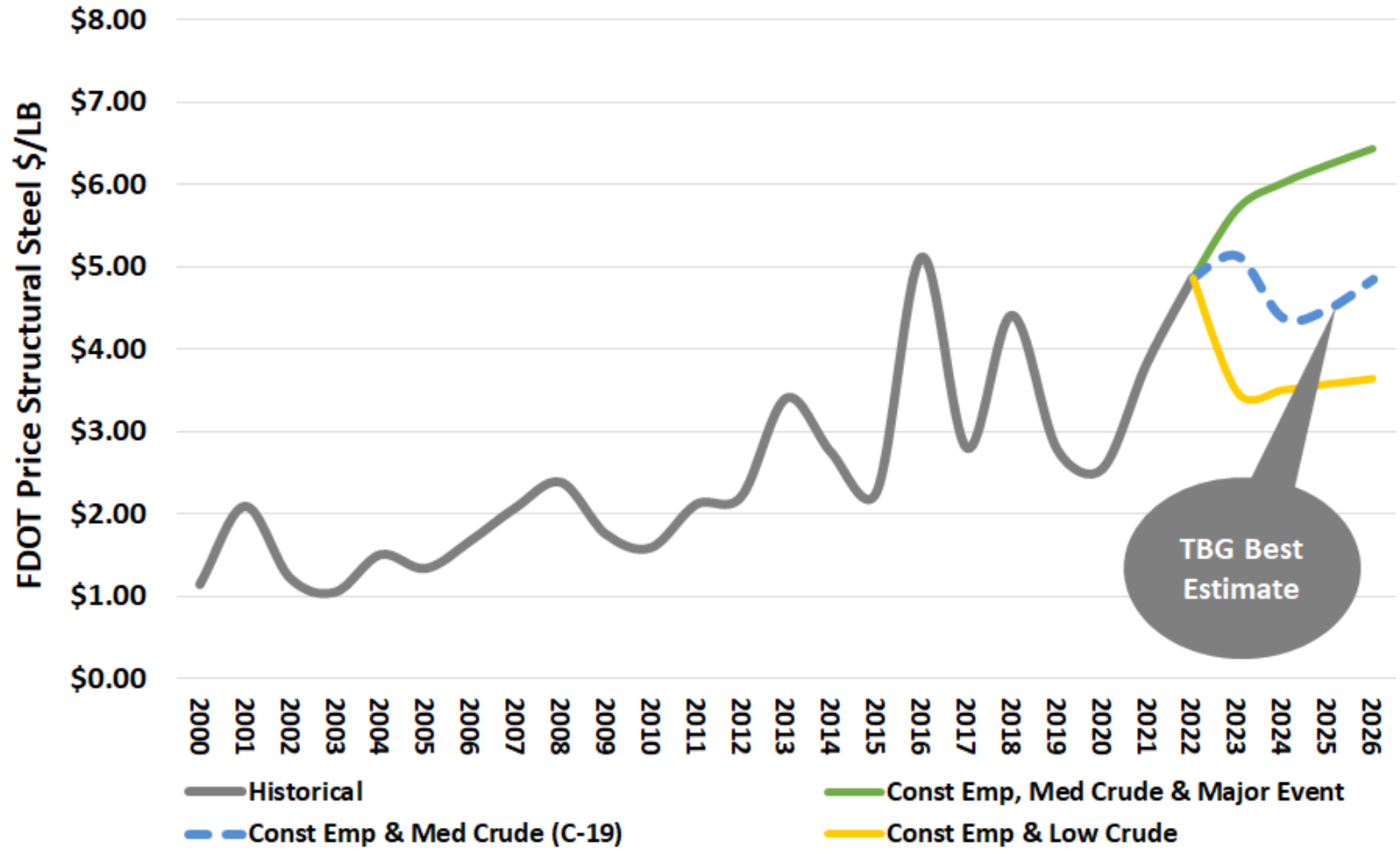
Structural Concrete (Quarterly through April 2022)



NOTE: Lump Sum, Design-Build Contracts not included in this graph

Florida Commodity Cost Trends

Structural Steel



Source: The Balmoral Group (TBG) calculated from data provided by FDOT Estimates Office, various industry sources. Historical pricing reflects actual bids and not adjusted for time.



Performance Statistics

Bid Analysis, YTD

Data	D1	D2	D3	D4	D5	D6	D7	TE	CO	SW
# of Letting YTD PRODUCTION	56	41	57	45	46	45	34	19	4	347
Adopted Plus Adds & Advances in \$M	155.27	244.98	151.12	250.82	371.35	270.71	139.16	337.47	11.68	1,932.56
Apparent Low Bids in \$M	156.71	259.06	158.06	272.50	393.48	308.79	132.26	391.62	11.78	2,084.26
Low Bid Over/Under Adopted in \$M	1.44	14.08	6.94	21.68	22.13	38.08	-6.90	54.15	0.10	151.70
% Diff Low Bid To Adopted	0.93%	5.75%	4.59%	8.64%	5.96%	14.07%	-4.96%	16.05%	0.86%	7.85%
Official Estimate in \$M	156.40	294.70	165.93	263.88	401.16	282.10	142.32	349.75	11.36	2,067.60
Apparent Low Bids in \$M	156.71	259.06	158.06	272.50	393.48	308.79	132.26	391.62	11.78	2,084.26
Low Bid Over/Under Official Estimate In \$M	0.31	-35.64	-7.87	8.62	-7.68	26.69	-10.06	41.87	0.42	16.67
% Diff Low Bid To Official Estimate	0.20%	-12.09%	-4.74%	3.26%	-1.91%	9.46%	-7.07%	11.97%	3.70%	0.81%

Mitigating Impacts

Implemented:

- Strategic Resource Evaluation Study contract
- Dashboard
- Quality Assurance Review process
- Florida-specific Producer Price Index
- Training

In progress:

- Statewide Estimators Workshop (with Contractors - recurring)
- New Estimating System
- Research

