



Revisions to Construction Advertising Schedule May 9, 2019

As the Maine Department of Transportation (MaineDOT) indicated last week, it is revising its Construction Advertising Schedule. This is part of MaineDOT's efforts to reconcile surging construction costs with available funding.

Last week, we announced that we were making a course correction. We rejected bids on three projects because the low bids had greatly exceeded our anticipated costs. Since then, we have seen bids come in significantly higher, on average, about 30 percent higher than last year. Estimates had already been increased by 10 percent in January 2019.

On Friday, we invited our industry partners to join us for a conversation about what has been driving this superheated bidding environment. Our conversation with these contractors was helpful. They confirmed that the shortage of workers is a primary cause. They are our partners in this, and we continue to have an open dialogue with them.

Prudent fiscal management requires us to make this revision. We cannot pay the prices we have been seeing – nor would Maine taxpayers want us to.

As part of this course correction, we have rejected bids already received on the following project because the low bid was more than double our estimate:

- **Portland, South Portland, and Falmouth – I-295 and portions of the Falmouth Spur and ramps – planned \$9.8M** (22420.00, 22422.00, and 23615.00)
Scope of work: Road resurfacing and bridge joint replacement

Additionally, the following eleven projects that were due to go out to bid this year, totaling \$45.5M as estimated in January 2019, have been removed from MaineDOT's Construction Advertising Schedule. This represents 11.6% of the value of projects that were originally planned to go out to bid this year.

- **Portland – India Street – planned \$0.4M** (024037.00)
Scope of work: Road resurfacing
- **Bangor – Ohio Street, I-95 Bridge – planned \$6.2M** (018722.00)
Scope of work: Bridge replacement
- **Abbot – Route 6 – planned \$7.1M** (022646.00)
Scope of work: Nearly 3 miles of road reconstruction
- **Waterville – Trafton Road – planned \$3.7M** (023246.00)
Scope of work: About 1.3 miles of road rehabilitation

- **Brewer – Wilson Street, I-395 Bridge – planned \$11.9M (018915.20)**
Scope of work: Bridge replacement
- **Van Buren – Route 1 – planned \$7.9M (020421.00)**
Scope of work: 2.74 miles of road reconstruction
- **Hampden – Twin Bridge over Soundabscook Stream – planned \$1.3M (018959.00)**
Scope of work: Bridge replacement
- **Auburn – Taylor Brook Bridge – planned \$1.7M (022224.00)**
Scope of work: Bridge replacement
- **Belfast – Sheldon Bridge – planned \$0.7M (021666.00)**
Scope of work: Bridge replacement
- **Belfast – Goose River Bridge – planned \$2.4M (021874.00)**
Scope of work: Bridge replacement
- **Fort Kent – Perley Brook Bridge – planned \$2.2M (021882.00)**
Scope of work: Bridge replacement

Every project in MaineDOT's plans represents needed work; there are no easy choices. Projects removed from the advertisement schedule for this year are being selected based upon several factors including safety and customer impacts, highway priority, asset condition, the extent of the bid overages in projects of that type, and the lack of bidding competition.

Most projects cut from the Construction Advertisement Schedule will be performed in future years, but that is not guaranteed, especially in the case of highway reconstruction and new alignment projects. Further, MaineDOT must reserve the right to reject bids on the projects being advertised if bids come in too high. All projects will be reviewed as we assemble our next three-year Work Plan to be published in early 2020 in the context of available revenue, system needs, and bidding climate.

We pride ourselves on our reliable delivery of work. To be reliable, we need to make sure we live within available funding and ensure that taxpayers are receiving good value for their investment.

###