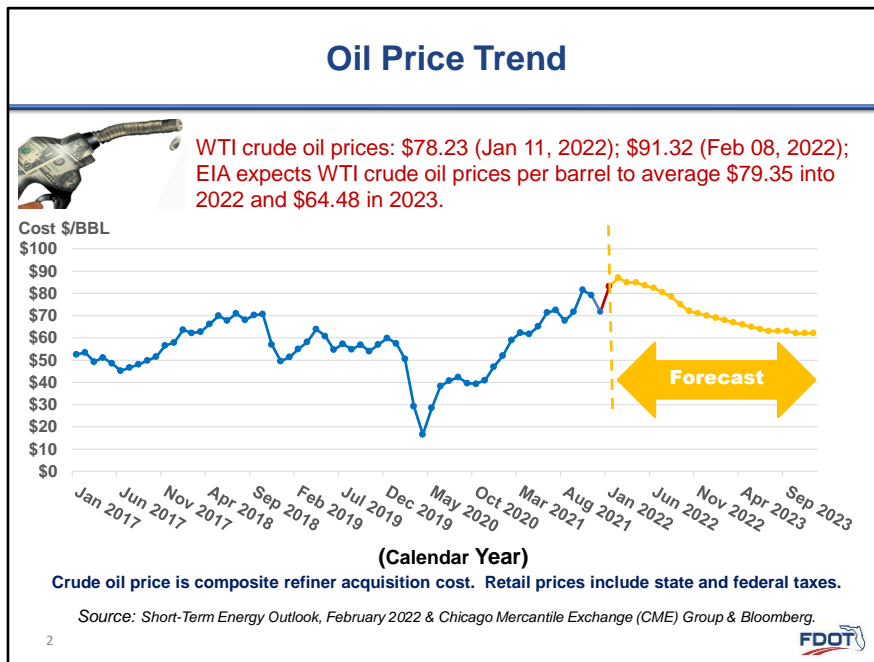


## **Construction Cost Indicators**

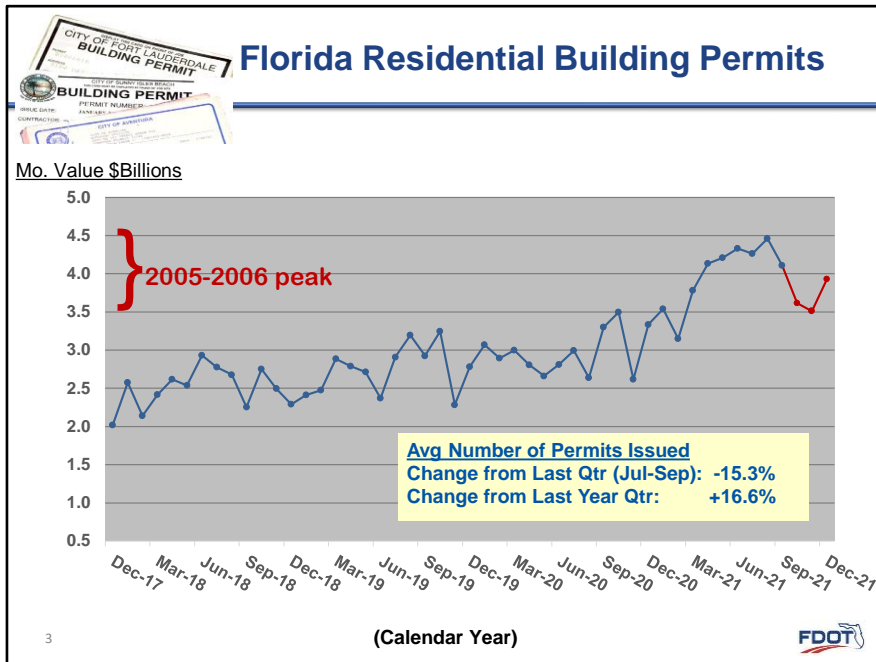
**February 16, 2022**

**Rhonda K. Taylor, P.E.  
State Estimates Engineer  
Program Management Office**



- U.S. crude oil production reached almost 11.8 million b/d in November 2021 (the most recent monthly historical data point), the most in any month since April 2020. EIA forecasts that production will rise to an average of 12.0 million b/d in 2022 and 12.6 million b/d in 2023, which would be record-high production on an annual-average basis. The previous annual average record of 12.3 million b/d was set in 2019.
- Brent crude oil spot prices averaged \$87 per barrel (b) in January, a \$12/b increase from December 2021. Crude oil prices have risen

steadily since mid-2020 as result of consistent draws on global oil inventories, which averaged 1.8 million barrels per day (b/d) from the third quarter of 2020 (3Q20) through the end of 2021. EIA estimates that global oil inventories fell further in January—compared with our expectation of an increase in last month’s STEO—and that commercial inventories in the OECD ended the month at 2.68 billion barrels, which is the lowest level since mid-2014. Oil prices have also risen as result of heightened market concerns about the possibility of oil supply disruptions, notably related to tensions regarding Ukraine, paired with receding market concerns that the Omicron variant of COVID-19 will have widespread effects on oil consumption.

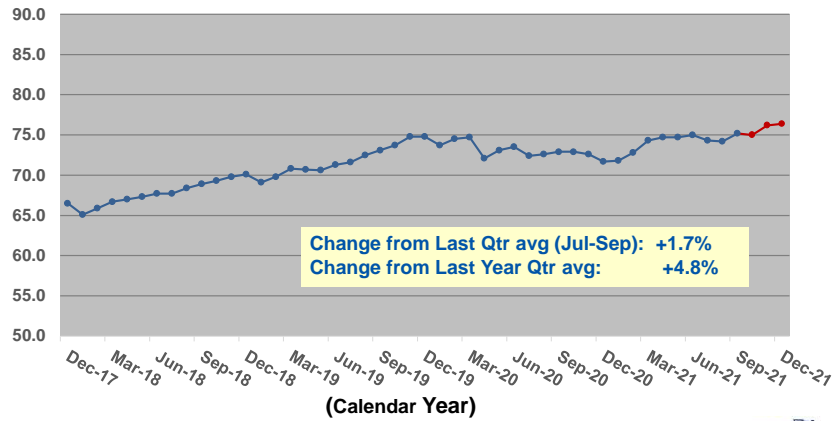


- Florida Total Private Housing Starts are expected to decrease by 5.6% in 2022, per the Florida Economic Estimating Conference, 12/20/21.**

## Florida Heavy Construction Employment

Heavy Construction Employment is expected to increase 3.2% in 2022.

**Size of Workforce (000s)**

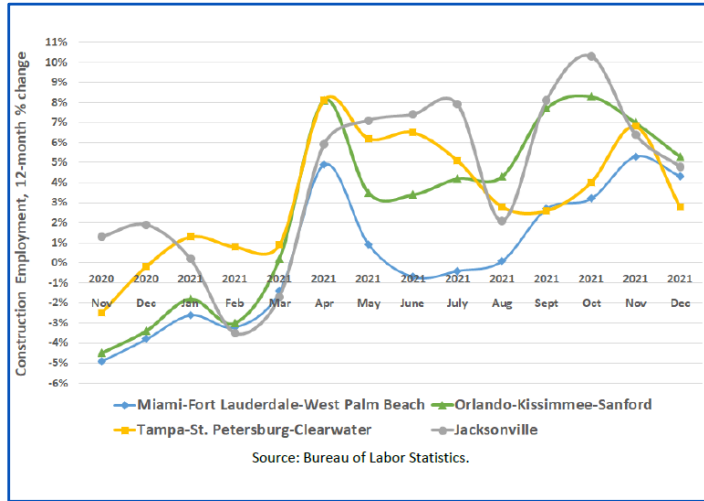


4



**Per** Florida Economic Estimating Conference, 12/20/21, **construction employment will increase by 3.2% in 2022.**

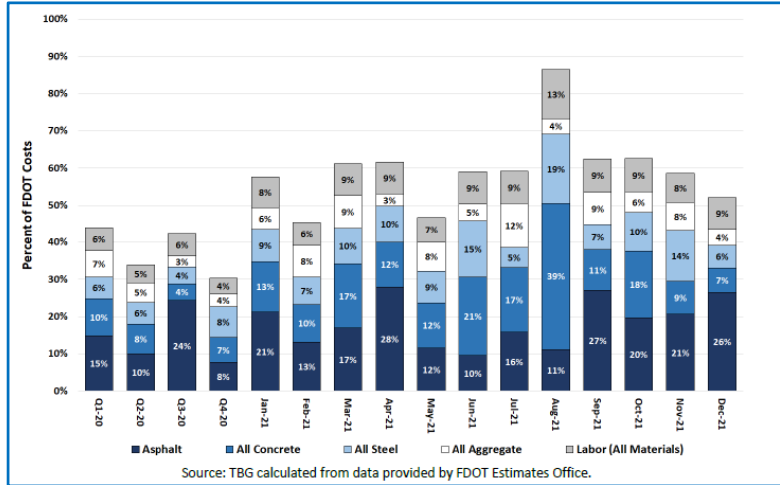
## Changes in Construction Employment in Major Florida Markets



5



## FDOT Commodity & Labor Shares of Costs

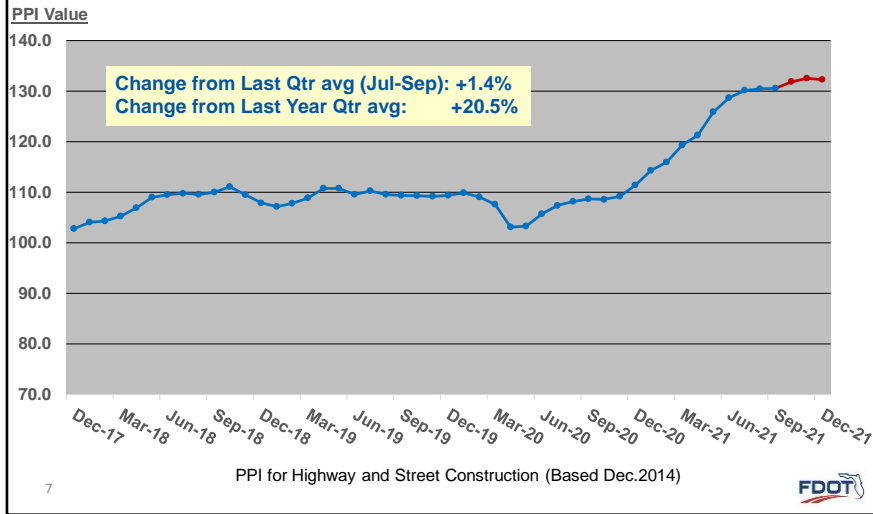


Source: TBG calculated from data provided by FDOT Estimates Office.



## PPI for Highway & Street Construction

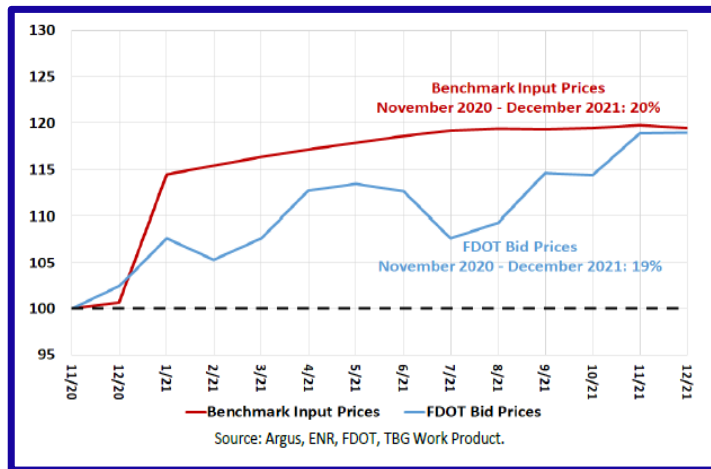
National material prices continue to escalate.



Per National Economic Estimating Conference, 12/10/21, US Chained Price Index, State/Local Structures will increase by 8.6% in 2022.



## FDOT Benchmark Input Costs vs. FDOT Bid Prices



8



Graph is showing the change in commodity input prices for major FDOT tracked commodities vs. the change in FDOT Bid Prices for these same commodities.

Input prices were weighted by the price per unit for each input by the share of FDOT's expenditures for that item, i.e. weighted by values, not quantities.

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



FY-22 average was \$4,783,604 a month ago in January 2022 presentation.  
 In general, Clearing & Grubbing/Earthwork/Stabilization Weighted Average prices increased and Superpave Traffic C 334-1-13 Weighted Average price decreased.

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

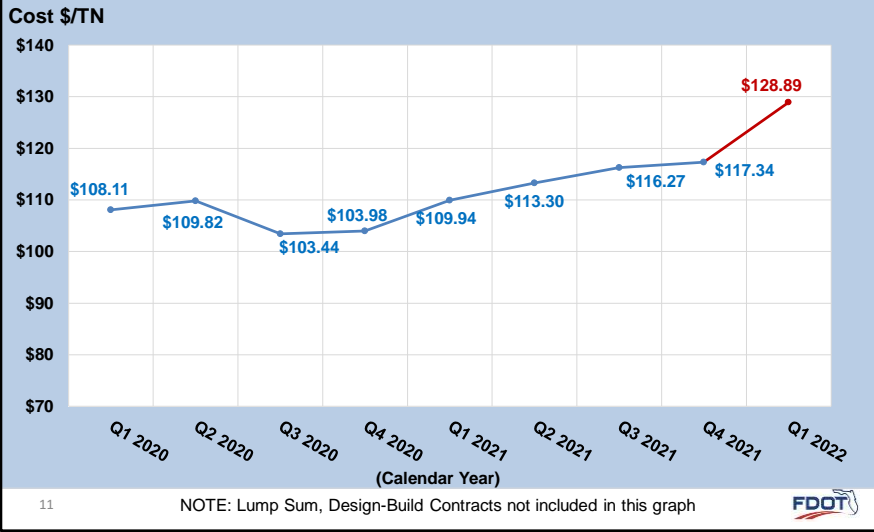


FY-22 average was \$809,767 a month ago in January 2022 presentation.

Most change from previous month is the Weighted Average price for Superpave, Traffic C 334-1-13 decreased.

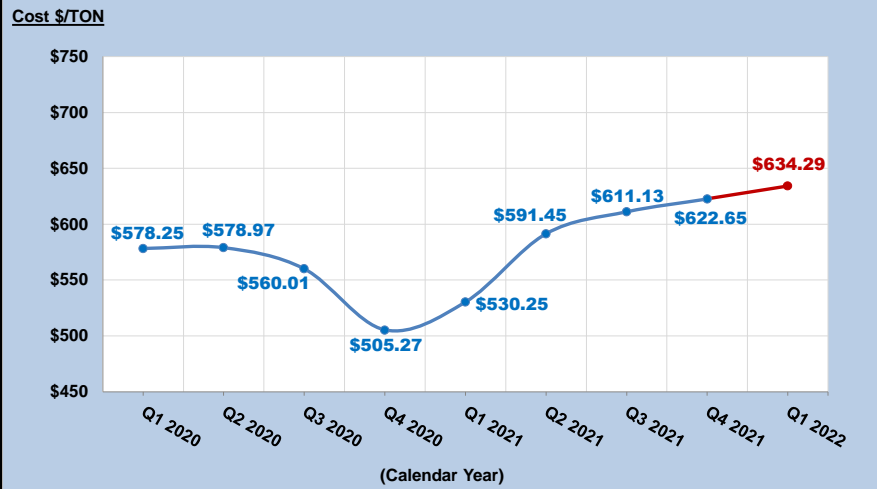
FDOT had some large quantity/lower price contracts awarded in December. It won't be a downward trend; the prices are going to be back up in January. This data lags behind Mir's up-to-date cost trends for the whole asphalt Cost Group in the presentation.

## Florida Cost Trends Asphalt Pavement (Quarterly through January 2022)



Competition and reluctance to pass up on work has kept our bid prices lower than expected.

## Florida Cost Trends Asphalt Binder PG 76 & Higher (Quarterly through January 2022)

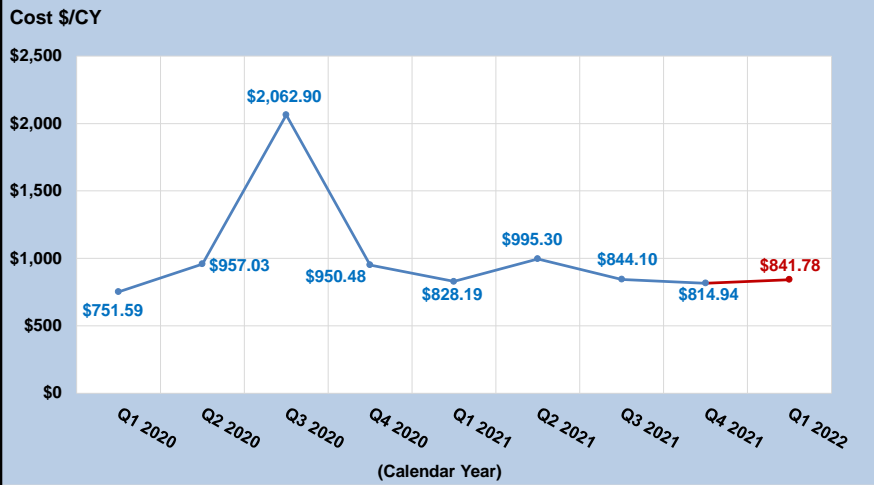


12

Source: State FDOT Construction Office



## Florida Cost Trends Structural Concrete (Quarterly through January 2022)



13

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



## Florida Cost Trends Base (Quarterly through January 2022)



14

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



## Florida Cost Trends Earthwork (Quarterly through January 2022)



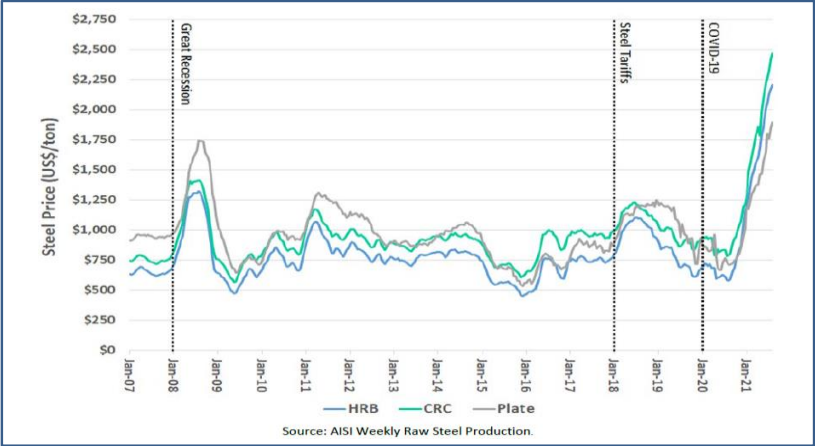
15

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





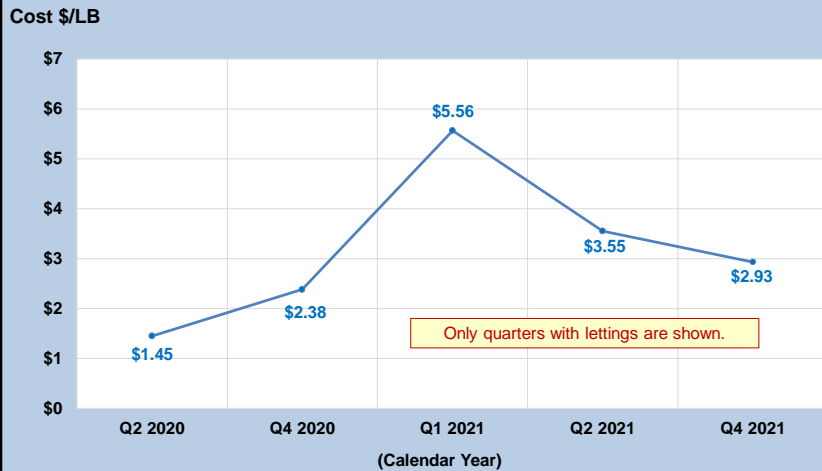
# US Steel Prices



Source: AISI Weekly Raw Steel Production.



## Florida Cost Trends Structural Steel (Quarterly through January 2022)



17

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



Only letting with steel pay items in Q4 2021 was in October.  
Q1 2021 (Add Lanes & Reconstruct, Quantity=2,160 LB).

## Florida Cost Trends Reinforcing Steel (Quarterly through January 2022)



18

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

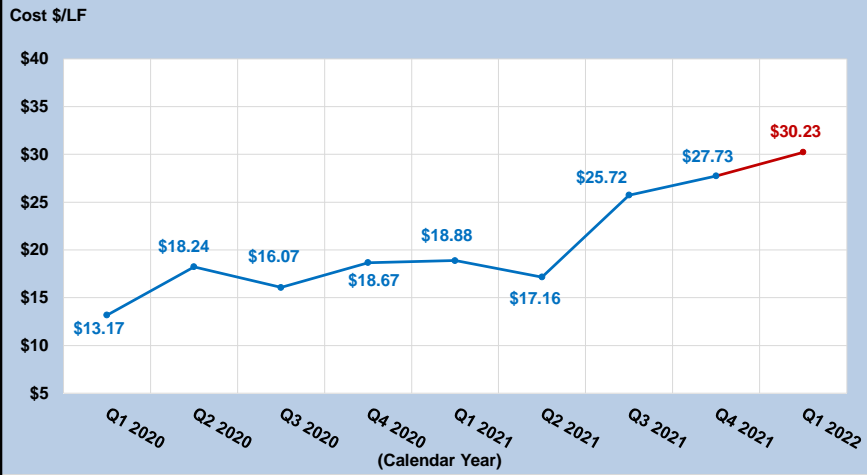


## January Steel Producer Survey Results

Material	Structural Steel	Steel Pipe	Rebar	Square Tubing	Steel Railing	Galvanizing
Price Change, December 2021	1%	17%	3%	3%	3%	4%
Expected Price Change, January 2021	-1%	3%	3%	0%	0%	3%
Expected Price Change Next Quarter (End of March)	-4%	3%	3%	0%	0%	4%
Bid Price Change, December 2021	10%	3%	3%	0%	0%	8%
Production Change, December 2021	4%	3%	3%	3%	3%	6%
Expected Production Change, January 2021	24%	3%	3%	3%	8%	10%
Expected Production Change Next Quarter (End of March)	26%	3%	3%	3%	8%	10%

Source: TBG Work Product

## Florida Cost Trends Guardrail (Quarterly through January 2022)

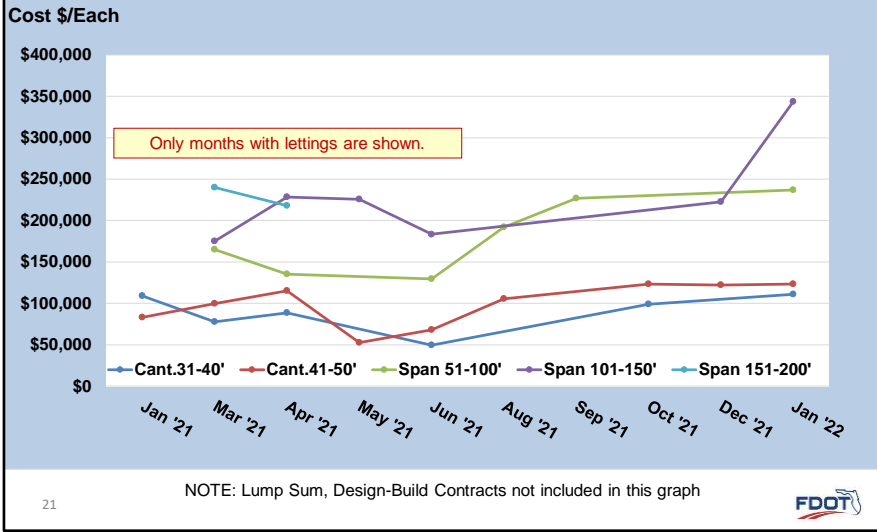


20

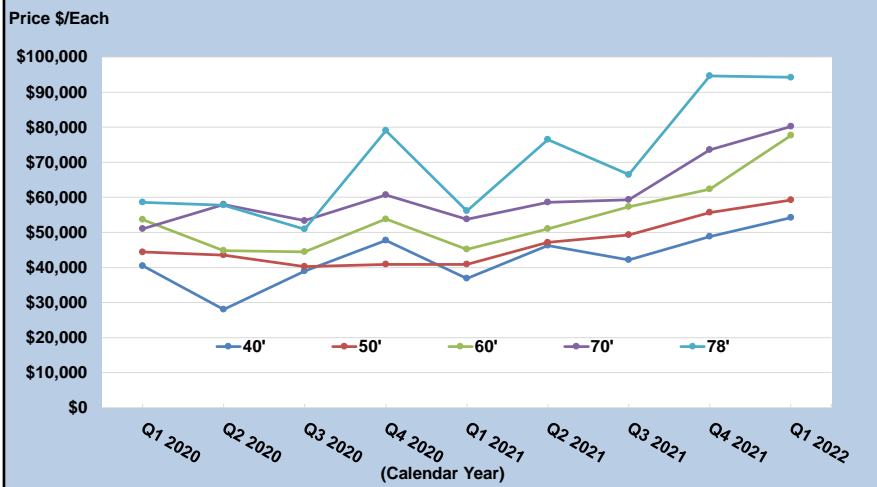
NOTE: Lump Sum, Design-Build Contracts not included in this graph



## Florida Cost Trends Overhead Sign Str. (Monthly through January 2022)



## Florida Cost Trends Single Mast Arms (Quarterly through January 2022)

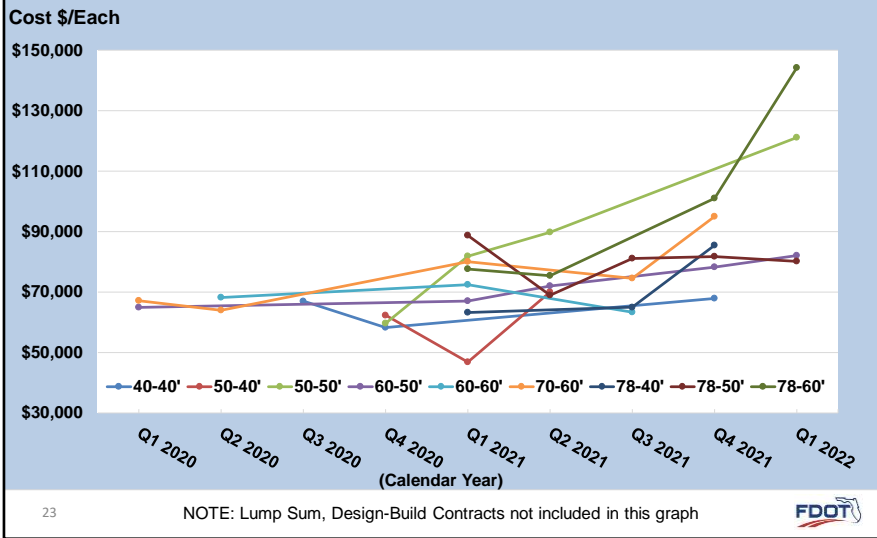


22

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

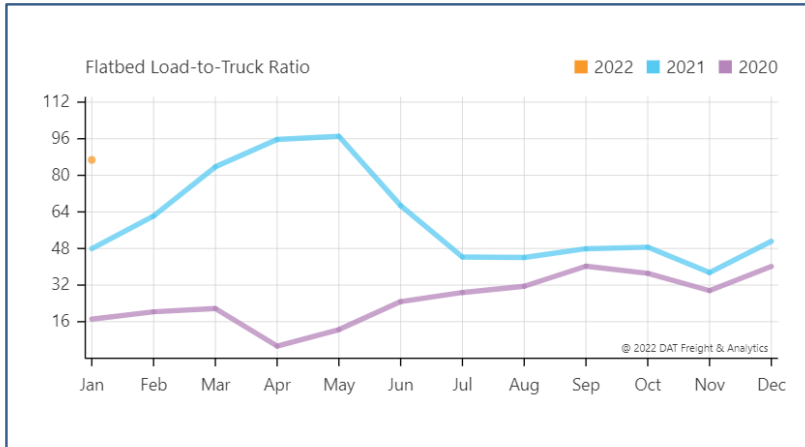


## Florida Cost Trends Double Mast Arms (Quarterly through January 2022)





## National Trucking & Freight



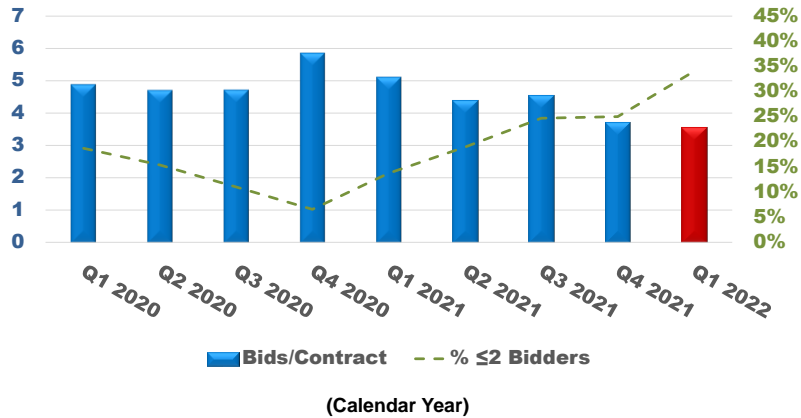
24



This chart depicts the national average load-to-truck ratio for flatbeds from 2020 to the present. LTR's represent the number of loads posted for every truck posted on DAT Load Boards. The LTR is a real-time indicator of the balance between spot market demand and capacity.

## Competition Summary (Class 1 & 7) Statewide (Quarterly through January 2022)

**Bids/Contract = 3.5      ≤2 Bidders = 34.0%**



25



- Does not include Design Build, fast response (CFR), Maintenance, or local programs
- Includes pushbutton (CPB and TOPB), emergency (CEC), and pre-event (CPE)
- Includes contracts with No Bids (Number of Valid Bidders value had to be change to 0 in spreadsheet)
- Does not include Proposal Withdrawn
- Does not include Scope Alternate Not Chosen

## Questions?

