



March 22, 2021

Chairman Kunze, VC Reineke, Ranking Minority Member Antonio
Transportation Committee Members

Re: Sub HB 74, Transportation Budget
FORCE ACCOUNT limits increase – SUPPORT

Dear Transportation Committee Members:

County: Allen County
Budget: Approx. \$8.0 Million

I am writing to express my support for Sub. House Bill 74, the Transportation Budget, particularly the addition of the language increasing county and other local government Force Account limits.

As the Allen County Engineer, my job is to administer all aspects of design, construction, repair and maintenance of our local roads and bridges here in Allen County, which includes 353 miles of roads and 377 bridges. With help from my staff, our goal is to provide the safest and most efficient roadway system possible. Unfortunately, maintaining this system has become increasingly difficult due to **inflation**, which has continually reduced the amount of work that gets done, hence forcing counties to fall behind on replacement schedules and causing a continuous decline of our transportation infrastructure. Over the last eighteen (18) years, inflation has increased the costs of labor, equipment and materials, nearly tripling the cost of construction, yet Force Account limits have remained the same. As an example, in Allen County, contract paving costs have increased an average of 10.6% per year over the last 26 years (see attached sheet). Allen County should be paving 24 miles per year, but is only averaging 10. As for bridges, we should be replacing 8 bridges per year, but instead we average 3 replacements per year.

While the 133rd General Assembly increased the state fuel tax, there will never be enough funding to address every need. Therefore, as County Engineers we must constantly prioritize and utilize the tax revenue as efficiently as possible. So, we rely on contractors to perform the larger and more complex projects and we award projects like these every year. However, not all work can be designed and bid out. There are numerous smaller projects that are more economical to be done in house by Force Account. So, while Contractors perform the "heavy lifting", our niche is performing these smaller bridge and paving projects. This is because County Engineers utilize their staff year round. During the winter months, employees focus on snow and ice control, protecting the traveling public. When the weather breaks, these same employees switch their focus to perform the daily work to help rebuild and maintain our transportation infrastructure. Whether its bridge, drainage or roadway projects, Force Account labor is an efficient use of tax revenue.

As for paving projects, our Force Account work doesn't eliminate the need for the contractors, but rather prepares the projects and enhances the contractors' work. Since roadways don't crumble and fall apart all at once, we utilize Force Account work to maintain, repair and pave sections of the pavement until the entire road can be re-paved by contractors. This enables contractors to be efficient, paving more miles and completing more jobs. Each year we award over a \$1 Million in asphalt work to contractors, and this will continue even if the Force Account limits are increased.

Our bridge projects are no different, as we rely on contractors to replace our larger and more complex bridges. As previously stated, many smaller bridge projects are more economical to be done in house by Force Account. Unfortunately, inflation has *severely* reduced the amount of work we can do and that has caused us to fall behind on our bridge replacements. Currently, we have 42 bridges with posted load limits, which is hindering commerce, development and delaying emergency response times.

Funding doesn't permit ALL work to be done by contract, and current Force Account limits prohibit us from replacing many ourselves. With the current Force Account limit of \$100,000, we can only replace 7% of our posted bridges. Therefore, **removing these load limits is NOT possible without increasing the Force Account limits.** As detailed below, increasing these Force Account limits would enable Allen County to replace up to 43% of these bridges, but contractors would still be needed to replace the other 57%.

**20' Maximum size bridge replacement
w/ Current \$100k Force Account Limit**

377 Total Bridges in Allen County
of which, 135 ≤ 20' (36%)

3 CLOSED
18 SHV (Special Haul Vehicles)
21 EV (Emergency Vehicles)
42 Total LOAD LIMITS

Currently, we can ONLY replace 3/42 (7%) of the bridges w/ current \$100k Force Account Limit

**30' Maximum size bridge replacement
w/ Proposed \$300k Force Account Limit**

377 Total Bridges in Allen County
of which, 197 ≤ 30' (52%)

3 CLOSED
18 SHV (Special Haul Vehicles)
21 EV (Emergency Vehicles)
42 Total LOAD LIMITS

IF increased to \$300,000, we COULD replace 18/42 (43%) of the bridges by Force Account. **57% still require contractors.**

I believe the proposed Force Account increases are long overdue and I urge the committee to keep them in the bill. In addition, I urge the committee to adjust the thresholds annually for construction inflation. Thank you for hearing my testimony today. Should you have any questions, please feel free to give me a call.

Yours truly,

Brion E. Rhodes, P.E., P.S.
Allen County Engineer

Allen County - Contract Paving Costs 1994 thru 2020

<u>Year:</u>	<u>Total In-Place Cost Per Ton of 448 Mix:</u>	<u>Cost Per Mile:</u> (1-3/8" of 448 mix)
1994	\$ 19.71	\$ 17,670
1995	\$ 22.91	\$ 20,540
1996	\$ 21.46	\$ 19,240
1997	\$ 24.52	\$ 21,980
1998	\$ 24.53	\$ 21,990
1999	\$ 25.68	\$ 23,020
2000	\$ 28.08 (9.4% increase)	\$ 25,175
2001	\$ 29.34 (4.5% increase)	\$ 26,303
2002	\$ 26.60 (9.3% decrease)	\$ 23,845
2003	\$ 32.91 (24% increase over 2002)	\$ 29,500
2004	\$ 36.30 (10.3% increase over 2003)	\$ 32,540
2005	\$ 37.56 (3.5% increase over 2004)	\$ 33,673
2006	\$ 49.86 (32.8% increase over 2005)	\$ 44,699
2007	\$ 55.65 (11.6 % increase over 2006)	\$ 49,890
2008	\$ 59.37 (6.6 % increase over 2007)	\$ 53,213
2009	\$ 66.00 (11.2 % increase over 2008)	\$ 59,155
2010	\$ 69.23 (4.9 % increase over 2009)	\$ 62,050
2011	\$ 75.41 (8.9 % increase over 2010)	\$ 67,590
2012	\$ 72.93 (3.3 % <u>decrease</u> from 2011)	\$ 65,367
2013	\$ 69.53 (4.7 % <u>decrease</u> from 2012)	\$ 62,319
2014	\$ 95.68 (37.6 % increase from 2013)	\$ 85,770
2015	\$ 72.43 (24.3 % <u>decrease</u> from 2014)	\$ 68,115
2016	\$ 65.04 10.2 % <u>decrease</u> from 2015)	\$ 56,318

<u>Year:</u>	<u>Total In-Place Cost Per Ton of 404/448 Mix:</u>	<u>Cost Per Mile:</u> (1-3/8" of 448 mix)
2017	\$ 72.47 11.4 % <u>increase</u> from 2016)	\$ 66,616
2018	\$ 87.90 21.3 % <u>increase</u> from 2017)	\$ 93,630
2019	\$ 84.27 4.1 % <u>decrease</u> from 2018)	\$ 78,929
2020	\$ 74.18 12.0 % <u>decrease</u> from 2019)	\$ 69,589

(In the last 26 years, 1994 - 2020, the *contracted, in-place hot-mix prices* in Allen County have increased **276%**, that's an average increase in price of **10.6% per year**).

Note: In-Place costs also includes incidental items such as maintaining traffic, premium on contract bond, temporary centerlines, and mobilization.