



April 28, 2021

Senator Christina Roegner, Co-Chair  
Representative Mark Johnson, Co-Chair  
Joint Committee on Force Accounts

Re: **Joint Committee on Force Accounts**  
**FORCE ACCOUNT limits increase – SUPPORT**

Dear Joint Committee Members:

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

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. **Over the last eighteen (18) years, inflation has increased the costs of labor, equipment and materials, easily doubling the cost of construction<sup>(1)</sup>, yet Force Account limits have remained the same.** *As a local example, contract paving costs in Allen County have increased an average of 10.6% per year over the last 26 years (see attached sheet).* Inflation has continually reduced the amount of work we can do by Force Account, hence forcing counties to fall behind on replacement schedules and adding to the continuous decline of our transportation infrastructure.

While the 133<sup>rd</sup> General Assembly recently increased the state fuel tax, funding never seems to match the need. Therefore, as County Engineers we must constantly prioritize our projects and utilize tax revenue as efficiently as possible. Part of this efficiency includes utilizing our staff year-round, performing snow and ice control in the winter and helping to rebuild and maintain our infrastructure in the summer. While we can do smaller projects, we rely on contractors to perform the majority of our construction work. However, not every project can be contracted out, because designing plans, preparing bid documents and advertising a project is costly and add months to a project timeline. Hence, many smaller bridge and roadway projects are more economical to be done in house, by Force Account. This is our niche, and our skilled employees are trained and ready to continue performing the work we've always done, while avoiding additional costs and unnecessary delays. So, we are not seeking to increase the size of our staff, nor are we looking to increase the scope of the work that we do. Rather, we simply need the ability to perform the same size projects as we did in 2003, before inflation.

Our bridge program is a good example of how inflation has *severely* reduced our ability to do work. During the eighteen years from 1985 to 2002, Allen County replaced 75 bridges; 28 by contractors and 47 by force account. However, in the last eighteen years (2003-2020), Allen County has ONLY replaced 31 bridges; 25 by contractors and 6 by force account.

While this doesn't tell the entire story, it does paint a pretty good picture. Contract work has remained the same, but Force Account work has been reduced by a factor of 8. Ultimately, it means our smaller bridge projects are NOT being replaced. Therefore, more bridges are being posted with load limits, which hinders commerce, development and delays emergency response times. Currently, we have 42 bridges in Allen County with posted load limits.

**Allen County Bridges with Load Limits**

377 Total Bridges, 197 bridges ≤ 30' (52%)

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

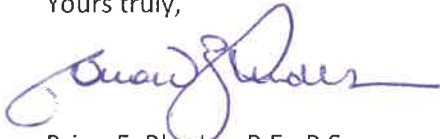
With the current Force Account limit of \$100,000, we can ONLY replace 7% of our posted bridges. However, in 2003, we would have been able to replace 18/42 (43%) of these bridges by force account.

As for road paving projects, we also rely on contractors to perform the majority of our construction work. However, we do use Force Account work to prepare roads for contract paving. 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. Unfortunately, inflation has reduced the amount of prep work we can perform, where now it takes 2 or 3 years to prepare a road for contract paving. Therefore, that means more planning, reduced efficiency and ultimately, less work gets done.

**Local Road Example:** *This week our contractor completed a \$330,000 (full width) paving project, which is four (4) miles in length. The contractor was efficient and produced a smooth asphalt surface, but only because we prepared the road in advance by making spot improvements with our force account labor. While the contractor completed the work in 2 ½ days, it took my staff 3 separate years to prepare the project due to the effect inflation has made on the \$30,000 Force Account Limit. (see attached picture)*

After eighteen (18) years, I believe increases to the Force Account Limits are long overdue. I urge the committee to consider increasing them to 2021 construction costs along with an annual adjustment tied to a construction cost inflation index. 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

(1) National Highway Construction Cost Index (NHCCI) has charted a 96% increase in costs from 2003 to 2019.

## Allen County - Contract Paving Costs 1994 thru 2020

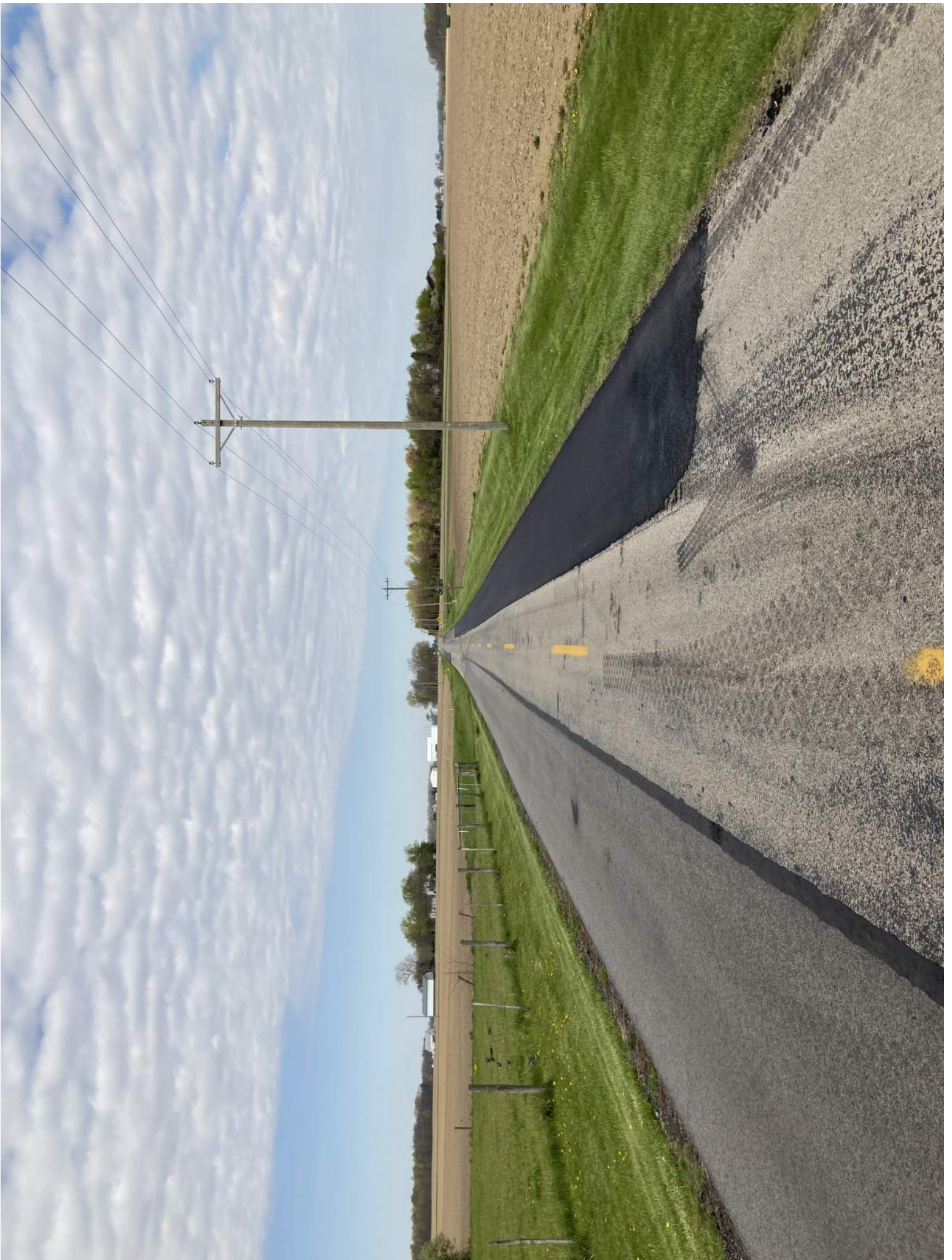
<u>Year:</u>	<u>Total In-Place Cost Per Ton of 448 Mix:</u>	<u>Cost Per Mile:</u> (1-3/8" of 448 mix)
1994	\$ 19.71	\$ 17,670
1995	\$ 22.91	\$ 20,540
1996	\$ 21.46	\$ 19,240
1997	\$ 24.52	\$ 21,980
1998	\$ 24.53	\$ 21,990
1999	\$ 25.68	\$ 23,020
2000	\$ 28.08 (9.4% increase)	\$ 25,175
2001	\$ 29.34 (4.5% 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 % <b><u>decrease</u></b> from 2011)	\$ 65,367
2013	\$ 69.53 (4.7 % <b><u>decrease</u></b> from 2012)	\$ 62,319
2014	\$ 95.68 (37.6 % increase from 2013)	\$ 85,770
2015	\$ 72.43 (24.3 % <b><u>decrease</u></b> from 2014)	\$ 68,115
2016	\$ 65.04 10.2 % <b><u>decrease</u></b> 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

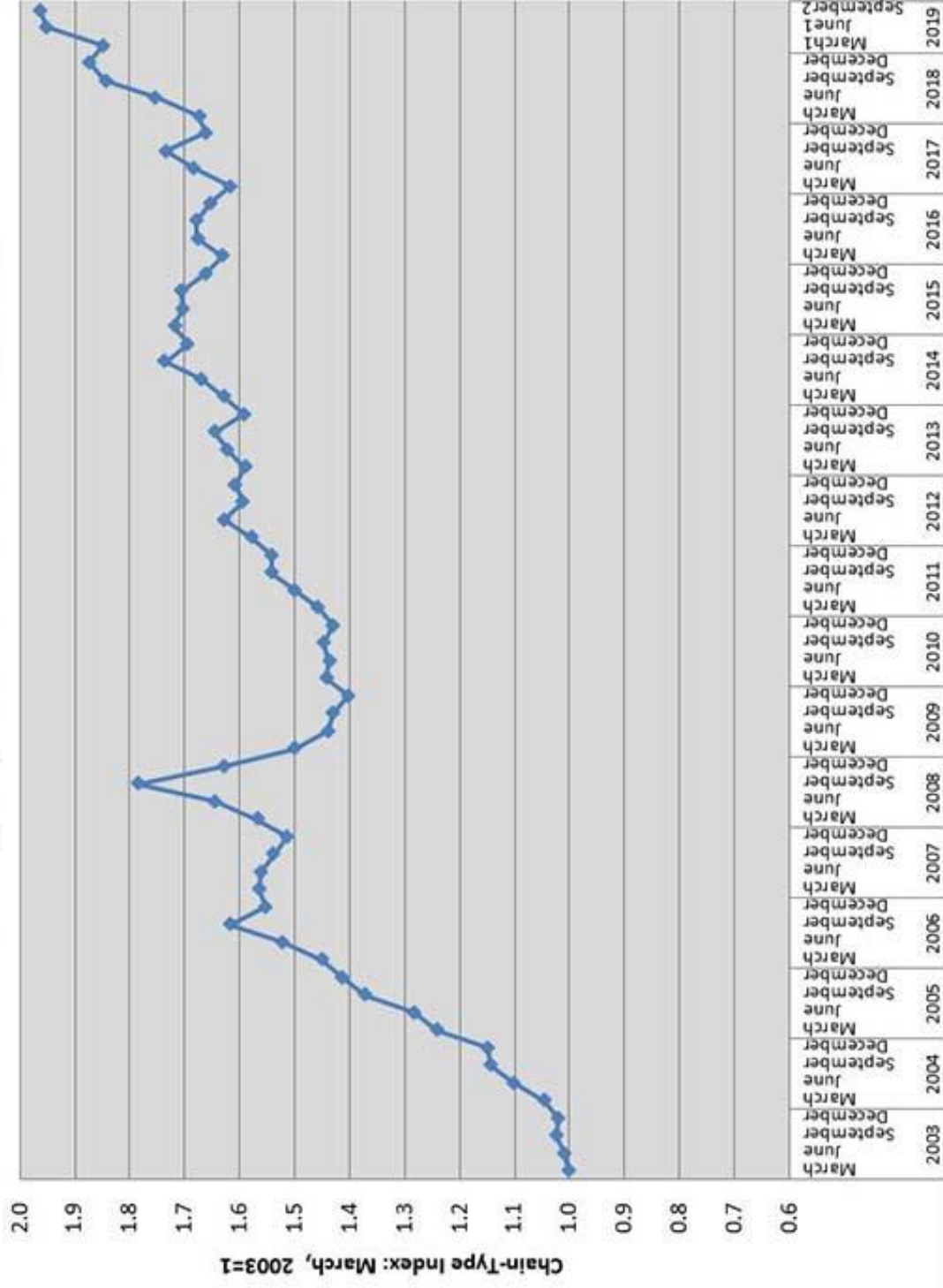
(In the last 26 years, 1994 - 2020, the *contracted, in-place hot-mix prices* in Allen County have increased **276%**, that's an average increase in price of **10.6% per year**).

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





**National Highway Construction Cost Index (NHCCI)**



2003-2019 increase of 96%