



County Engineers Association of Ohio

Interested Party Statement to the
The Ohio Senate – Transportation Committee
135th GA – Transportation Budget Testimony (HB 23)
Dean Ringle, P.E., P.S., Executive Director - County Engineers Association of Ohio

Good morning, Chairwoman Kunze, Vice Chairman Reineke, Ranking Member Antonio, and members of the Transportation Committee. Thank you for the opportunity to share input regarding the 135th GA's Transportation Budget – HB 23. I am Dean Ringle, P.E., P.S., Executive Director of the County Engineers Association of Ohio (CEAO).

Since 1940, CEAO's mission is to work to unify its members in providing the highest quality transportation, drainage, surveying and land record keeping services. From the safe and efficient movement of people, goods and services to continuing land development needs, CEAO strives to construct solutions for many challenges to Ohio's local infrastructure.

Ohio's county engineers utilize a variety of funding sources to construct, maintain and expand the county road and bridge infrastructure under our jurisdiction. Most of our resources are available for very specific purposes, while others may allow full discretion by the county in how they are used. Generally, year-over-year counties budgets do not increase, they stay flat or decrease. The following are the four primary sources:

- **Federal Motor Fuel Excise Tax** – 18.4 cents per gallon (distributed by formula to states)
- **Ohio Motor Fuel Excise Tax** – 38.5 cents per gallon – (approximately \$3.6m per county)
- **Vehicle Registration Fees**
- **Other Federal, State and Local General Revenues**
 - State grants such as Ohio Public Works Commission SCIP and LTIP Funds
 - **Local property taxes** (includes TIF's, special assessments and road levies)
 - **Local permissive sales tax revenues**

Force Accounts for Local Governments: R.C. 723.52, 5543.19, and 5575.01

Currently, the county force account limits are \$30,000 per mile for road construction and reconstruction, including widening and resurfacing, and \$100,000 for all bridge and culvert force account work. Ohio's County Engineers collectively are requesting an increase to the force account limits to account for construction cost inflation since 2003 (20-year limit). Outdated force account limits coupled with ongoing construction price increases have resulted in unreasonable and unnecessary limits on the amount of work counties can perform with their existing work force utilizing their existing fleet of equipment.

With budget constraints at all levels of government, it is imperative to get the greatest value for every transportation dollar the Ohio citizens investment. Material costs in construction have been incrementally increasing year over year. For the most part, rising material costs are out of everyone's control.

Continuing to suppress force account limits does not create new contracting opportunities for the private sector. The projects get deferred to a later year or they displace another project that would have been otherwise awarded to a private contractor. Limiting county force account projects does not create a corresponding increase in funds available for private contracts.

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 % decrease from 2011)	\$ 65,367
2013	\$ 69.53 (4.7 % decrease from 2012)	\$ 62,319
2014	\$ 95.68 (37.6 % increase from 2013)	\$ 85,770
2015	\$ 72.43 (24.3 % decrease from 2014)	\$ 68,115
2016	\$ 65.04 10.2 % decrease from 2015)	\$ 56,318
2017	\$ 72.47 11.4 % increase from 2016)	\$ 66,616
2018	\$ 87.90 21.3 % increase from 2017)	\$ 93,630
2019	\$ 84.27 4.1 % decrease from 2018)	\$ 78,929
2020	\$ 74.18 12.0 % decrease 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



Cornell R. Robertson, P.E., P.S.
Franklin County Engineer's Office

We have a wide variety of project sizes so we will still have plenty of road and bridge projects to put out for competitive bidding. Over the past three years, the two bridges noted below could have been built by the Franklin County Engineer Bridge Department if the Force Account limits reflected what we were able to build in 2003.

Notably, however, there were 9 other bridges, that we put out for competitive bidding over those same years totaling \$17M. Had we been able to build those two bridges noted below with our own crews, we could have used the savings to put out another big bridge for competitive bid or built two additional smaller bridges by our own crews giving our constituents one to three new, safe bridges for the same total amount of their hard-earned tax dollars.

The following specific, real-life examples to illustrate the need for the increase:

Example 1 in 2019:

Braun Rd over Snyder Ditch Bridge Replacement in Madison Township

As Franklin County Engineer, my Force Account Estimate was \$160,000 to build with our own crews. Therefore, too expensive for us to build being above the current \$100,000 limit.

We put it out for competitive bidding and received bids ranging from \$297,000 to \$394,000. More expensive by \$137,000 and 1.9 times as expensive on the lower end of the competitive bid range.

Example 2 in 2020:

Ridpath Rd over Stanford Smith Ditch Bridge Replacement in Jackson Township

As Franklin County Engineer, my Force Account Estimate was \$178,000 to build with our own crews. Therefore, too expensive for us to build being above the current \$100,000 limit.

We put it out for competitive bid and received bids ranging from \$339,000 to \$394,000. More expensive by \$161,000 and 1.9 times as expensive on the lower end of the competitive bid range.