



Alaska Department of Transportation & Public Facilities

Roads and Highways Meeting

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Carolyn Morehouse, PE

Chief Engineer

Our mission is to *Keep Alaska Moving* through service and infrastructure.

How Does Inflation Affect Projects?



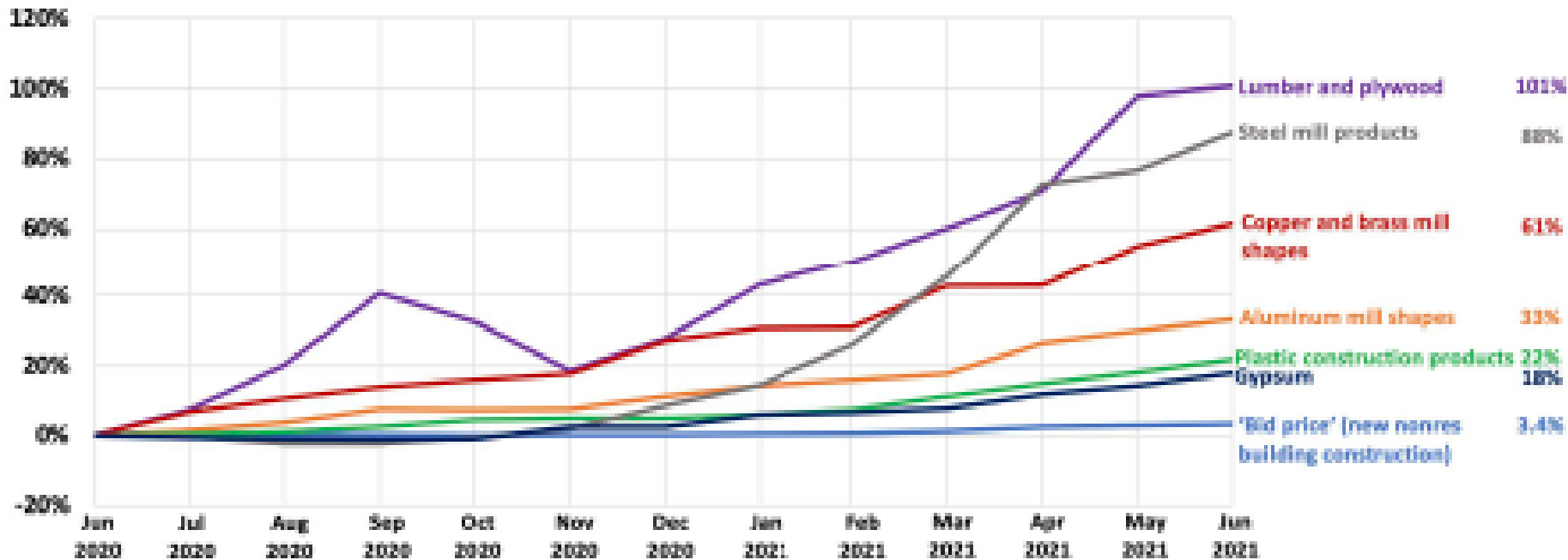
- Increase in Price of Construction Materials
- Surge in Fuel Costs
- Rising Labor Costs
- Supply Chain Issues uncertain delivery dates
- Higher Machinery Hire Rates

Contractor Bid prices reflect all these factors

AGC Published August 2021

Price changes for construction and selected materials
June 2020- June 2021

% change
June 2020-
June 2021:

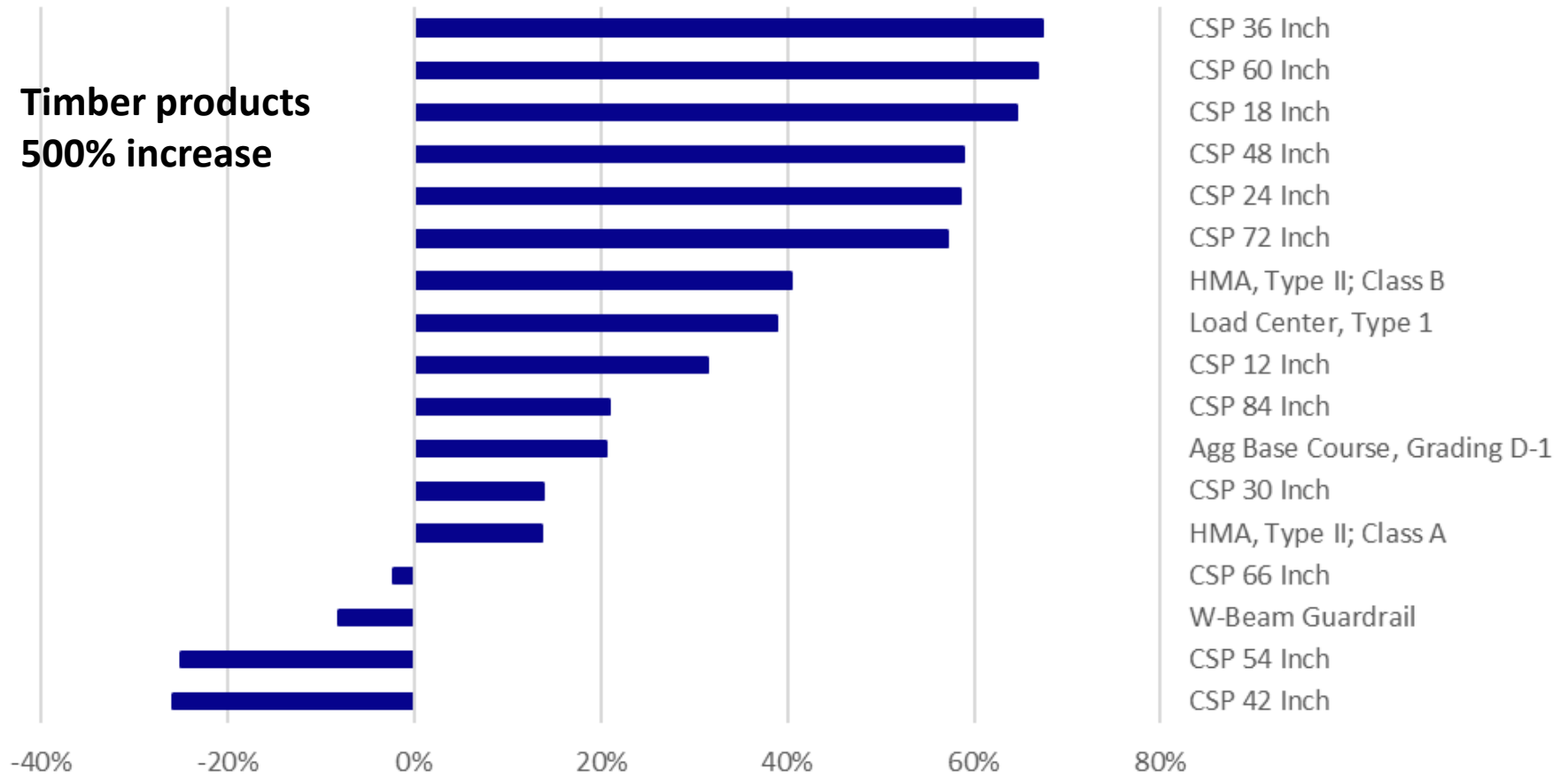


Source: Bureau of Labor Statistics, producer price indexes (PPIs) for new nonresidential building construction (bid prices), gypsum products, wood, metal products, and plastic products, not seasonally adjusted

Alaska Data 2018-2023

Awarded Bids % Change Over Time (Based on Trendlines)

**Timber products
500% increase**



CSP (corrugated steel pipe)

HMA = Hot Mix Asphalt

Engineer's Estimate vs. Award Amount

ALL MODES CONSTRUCTION PROJECTS, TASK ORDERS, DESIGN SUPPORT

Federal fiscal year FFY	# of Projects	# Days Bid Open - LOA	# Bids Receive d	Engineer's Est	Awarded Amt	% Difference from Engineer's Est	% Difference from Engineer's Est
(Oct 1 to Sept 30)	COUNT	AVERAGE	AVERAGE	SUM	SUM	AVERAGE	OVERALL
2019	83	54	3	\$ 395,085,086.44	\$ 405,949,711.22	0.91%	2.75%
2020	100	60	3	\$ 747,425,549.67	\$ 715,107,005.32	1.31%	-4.32%
2021	84	53	4	\$ 532,308,916.11	\$ 510,439,631.36	1.94%	-4.11%
2022	146	38	2	\$ 753,685,802.09	\$ 814,560,120.54	8.85%	8.08%
2023	30	37	2	\$ 102,285,442.50	\$ 123,295,534.24	17.28%	20.54%

Engineer's Estimate vs. Award Amount

Highways/Marine Highways Construction Projects Only

FFY Oct 1-Sept 30	# of Projects	Engineer's Est	Awarded Amt	% Difference from Engineer's Est	% Difference from Engineer's Est	Cost \$ per project
	COUNT	SUM	SUM	AVERAGE	MEDIAN	
2019	44	\$ 289,050,972.08	\$ 292,540,377.26	5.7%	1.2%	\$ 6,648,644.94
2020	50	\$ 446,977,592.49	\$ 414,123,508.92	1.1%	-7.4%	\$ 8,282,470.18
2021	42	\$ 341,748,600.92	\$ 325,575,278.75	-2.4%	-4.7%	\$ 7,751,792.35
2022	58	\$ 537,516,365.87	\$ 566,990,225.11	8.1%	5.5%	\$ 9,775,693.54
2023	5	\$ 16,487,733.83	\$ 20,049,855.62	15.5%	21.6%	\$ 4,009,971.12



Contact info

Carolyn Morehouse, PE
Chief Engineer, Director of
Statewide
Design & Engineering Services
Carolyn.morehouse@alaska.gov
907 465-6958

