

Texas Department of Transportation

Federal-aid Project Number: STP 2016(884)MM

Local Project Number: 0197-02-122

Location: US 175 from East of Bexar St. to IH 45

Special Experimental Project No. 14 (SEP-14) to evaluate the use of Local Labor Hiring Preferences (LLHP)

PRELIMINARY INITIAL REPORT (Subject to Change)

June 17th, 2016

Background

The S.M. Wright Project is a multiple phase project in Dallas, Texas that will connect the US 175 C.F. Hawn freeway directly to IH 45. The project was previously let in September 2014 with a low bid of \$96,431,460. Due to right-of-way and utilities not being clear, TxDOT terminated the original contract and has since re-let the project in February 2016. Since this project was let (in September 2014) without LLHP provisions and has now been (February 2016) let with LLHP provision, it is a good candidate to evaluate the impacts of LLHP provisions. However, in addition to the LLHP provisions, the re-let contract includes an increased goal for DBE participation and overall shorter contract duration.

The LLHP provision approved under SEP-14 for this project stipulates that 15% of all contract labor hours be performed by residents of the area surrounding the project.

Schedule

Bid Date: February 9th, 2016

Contract Award: May 9th, 2016

Construction time commencement: June 6th, 2016

Impacts on Competition

The original letting in September 2014 attracted bids from five contractors. The firm names and their bids for that letting are shown in the graphic below.

Bid Tabulations from Letting in September 2014

TABULATION OF BIDS
TEXAS DEPARTMENT OF TRANSPORTATION, AUSTIN
HWY US 175
JOB CTY DIV = 3201 057 048

| | | | | | | |
|---------|---|----------|------------------|------------------------------------|-------------|---------------------------------|
| COUNTY | DALLAS | | | CONTROL | 0197-02-108 | |
| PROJECT | NH 1402(025) | | | LENGTH | 2.575 | |
| TYPE | EXTEND US 175; RECONSTRUCT INTERCHANGE W/ SM WRIGHT | | | DATE | 09/11/14 | CONTRACT NUMBER 09143201 |
| TIME | 903 WORKING DAYS | | | | | CHECK \$100,000 |
| LIMITS | FROM: EAST OF BEXAR ST | TO: IH45 | | | | MISCELLANEOUS COST \$4325000.00 |
| | | | \$98,463,712.31 | *****ESTIMATE***** | | |
| | BIDDER 1 | | \$96,431,455.29 | BALFOUR BEATTY INFRASTRUCTURE, INC | | |
| | BIDDER 2 | | \$96,950,222.35 | MCM | | |
| | BIDDER 3 | | \$100,908,999.99 | WEBBER, LLC | | |
| | BIDDER 4 | | \$102,134,361.29 | AUSTIN BRIDGE & ROAD, LP | | |
| | BIDDER 5 | | \$103,342,801.75 | J.D. ABRAMS, L. P. | | |

The re-let of the S. M. Wright project with LLHP provisions attracted bids from five firms, three of which had submitted bids in the previous letting. The firm names and their bids are shown in the graphic below. The number of bidders stayed the same between original letting and re-letting (with LLHP provisions).

Bid Tabulations from the re-letting in February 2016

TABULATION OF BIDS
TEXAS DEPARTMENT OF TRANSPORTATION, AUSTIN
HWY US 175
JOB CTY DIV = 3043 057 048

| | | | | | | |
|---------|---|----------|------------------|------------------------------------|-------------|----------------------------------|
| COUNTY | DALLAS | | | CONTROL | 0197-02-122 | |
| PROJECT | STP 2016 (884)MM | | | LENGTH | 2.575 | |
| TYPE | EXTEND US 175; RECONSTRUCT INTERCHANGE W/ SM WRIGHT | | | DATE | 02/09/16 | CONTRACT NUMBER 02163043 |
| TIME | 819 WORKING DAYS | | | | | CHECK \$100,000,000 |
| LIMITS | FROM: EAST OF BEXAR ST | TO: IH45 | | | | MISCELLANEOUS COST \$4425000.000 |
| | | | \$100,034,951.91 | *****ESTIMATE***** | | |
| | BIDDER 1 | | \$103,886,639.99 | WEBBER, LLC | | |
| | BIDDER 2 | | \$105,477,598.90 | MCCARTHY BUILDING COMPANIES | | |
| | BIDDER 3 | | \$111,047,111.09 | BALFOUR BEATTY INFRASTRUCTURE, INC | | |
| | BIDDER 4 | | \$115,203,739.17 | ZACHRY CONSTRUCTION CORPORATION | | |
| | BIDDER 5 | | \$122,442,040.26 | MCM | | |

Impacts on Costs

In order to completely assess the impacts of LLHP on costs, major differences between the original letting and the re-let job need to be assessed. Among other factors, the three major differentiating factors between the two lettings of S.M. Wright project consist of the following:

1. A higher DBE participation goal for the 're-let' contract
2. A shorter overall contract duration
3. Inclusion of the LLHP specifications.

In addition to the above three, the two bids are separated by a period of 1½ years and an adjustment for inflation will be applicable as well. TxDOT tracks the costs of items used on its construction projects through *Highway Cost Index (HCI)* – a percentage index composed of major items of work included in typical TxDOT highway and roadway construction projects. The HCI 12-month Moving Average changed from 223.09 in September 2014 to 247.65 in February 2016 indicating an 11% increase.

A detailed assessment of the impacts on costs is pending a detailed analysis of various factors and their impacts on the costs.