



Inflation Impacts and the 2024-2028 Draft STIP

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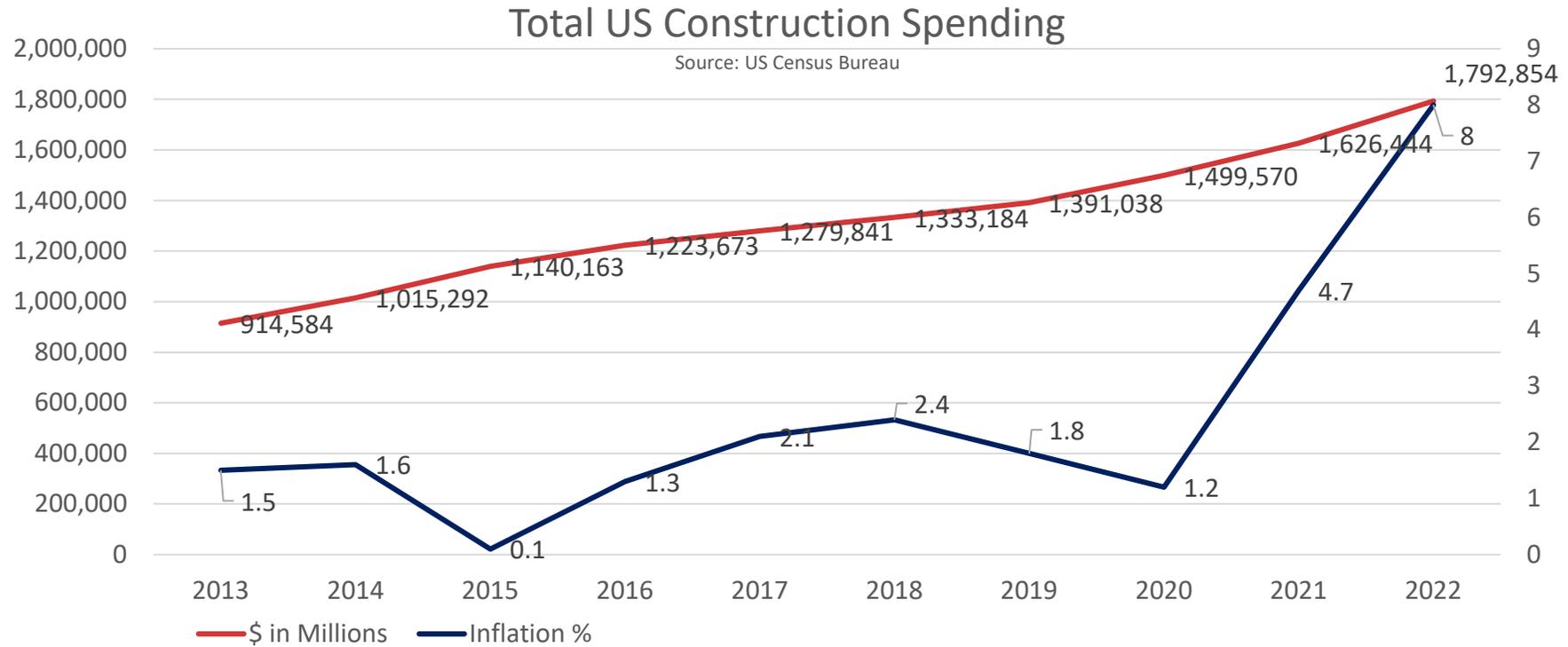
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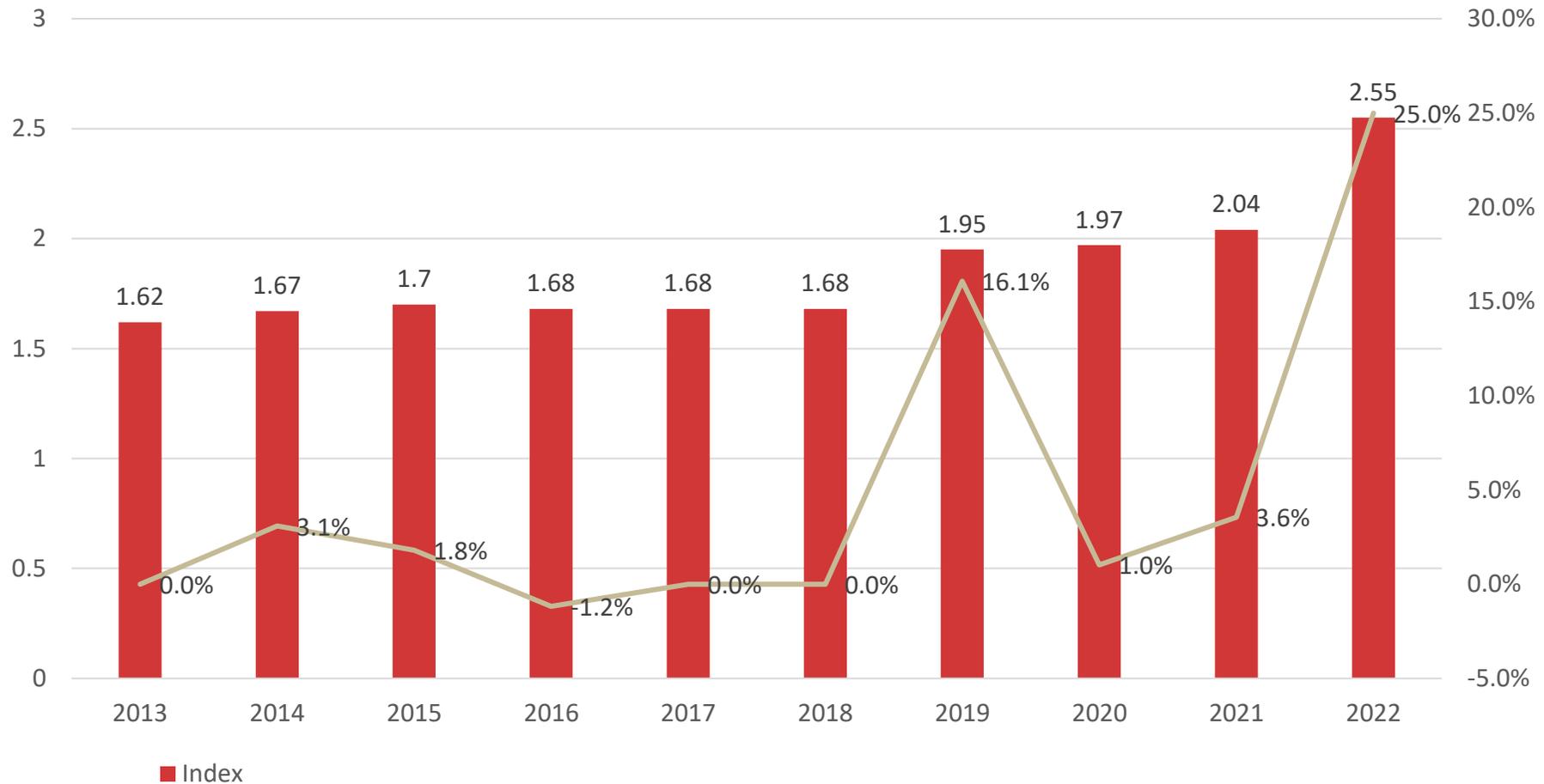
Statewide Planning Partners February 2023



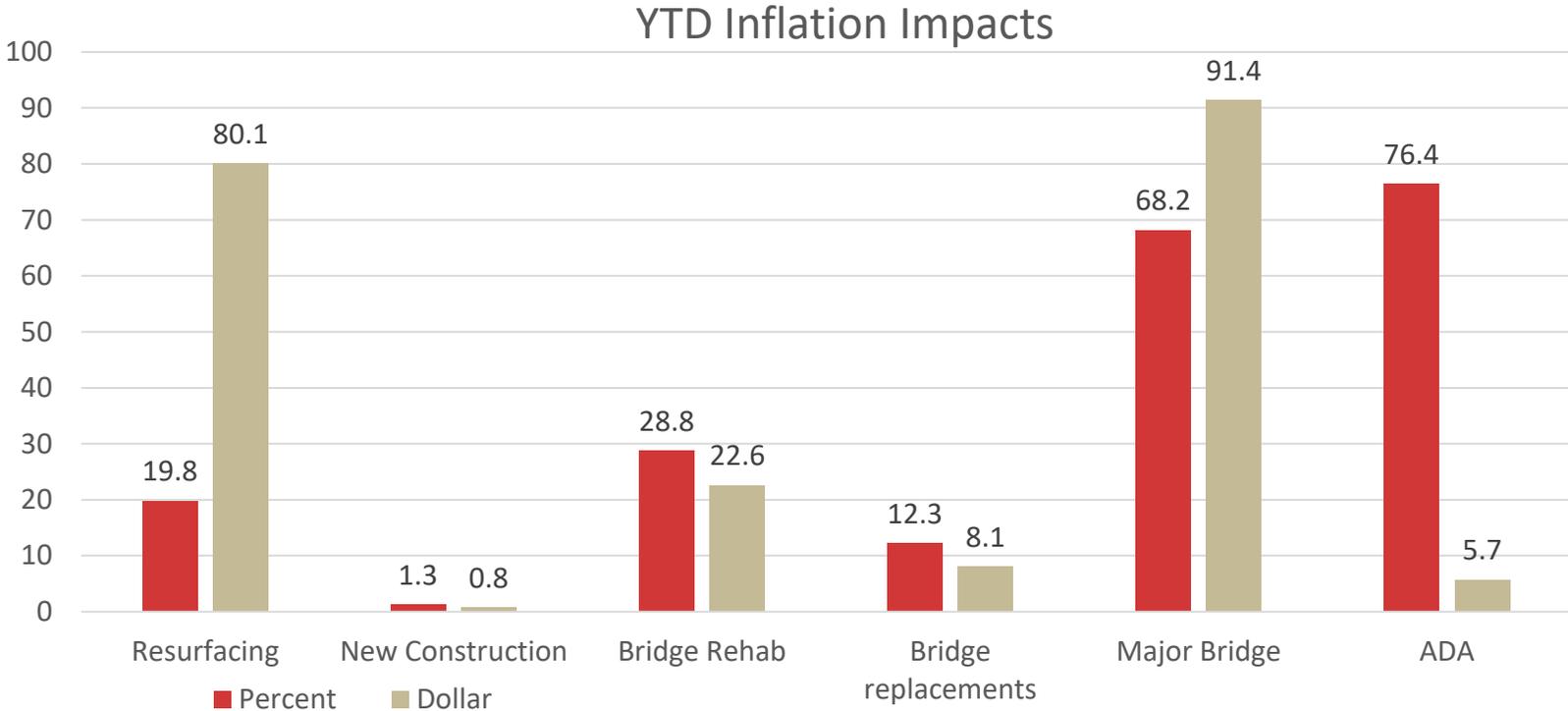
How Did This Happen



National Highway Construction Cost Index 2003 Q3=1



2023-2027 STIP Inflation



STIP 2022-2026 and 2023-2027

- 2022-2026 STIP actual inflation 11 %
 - Program versus award
- 2023-2027 STIP actual inflation (to-date) approx. 27% -- \$242 million
 - Program versus award



Recent Material Index

Producer Price Index, December 2022

	1-Month % Change	12-Month % Change	% Change Since Feb 2020
Inputs to Construction	-2.7%	7.9%	36.1%
Inputs to Nonresidential Construction	-2.7%	7.6%	36.4%
Plumbing Fixtures and Fittings	-0.1%	9.2%	16.4%
Fabricated Structural Metal Products	0.1%	4.7%	52.7%
Iron and Steel	-0.8%	-24.4%	56.6%
Steel Mill Products	-2.7%	-28.7%	71.0%
Nonferrous Wire and Cable	1.0%	6.1%	48.1%
Softwood Lumber	-5.1%	-26.1%	23.6%
Concrete Products	1.0%	14.8%	26.3%
Prepared Asphalt, Tar Roofing & Siding Products	0.4%	11.7%	37.8%
Crude Petroleum	-14.9%	4.3%	51.1%
Natural Gas	45.3%	29.1%	315.6%
Unprocessed Energy Materials	9.5%	20.0%	123.5%

Source: U.S. Bureau of Labor Statistics

Source: ABC



AASHTO TCCE

Technical Committee on Cost Estimating

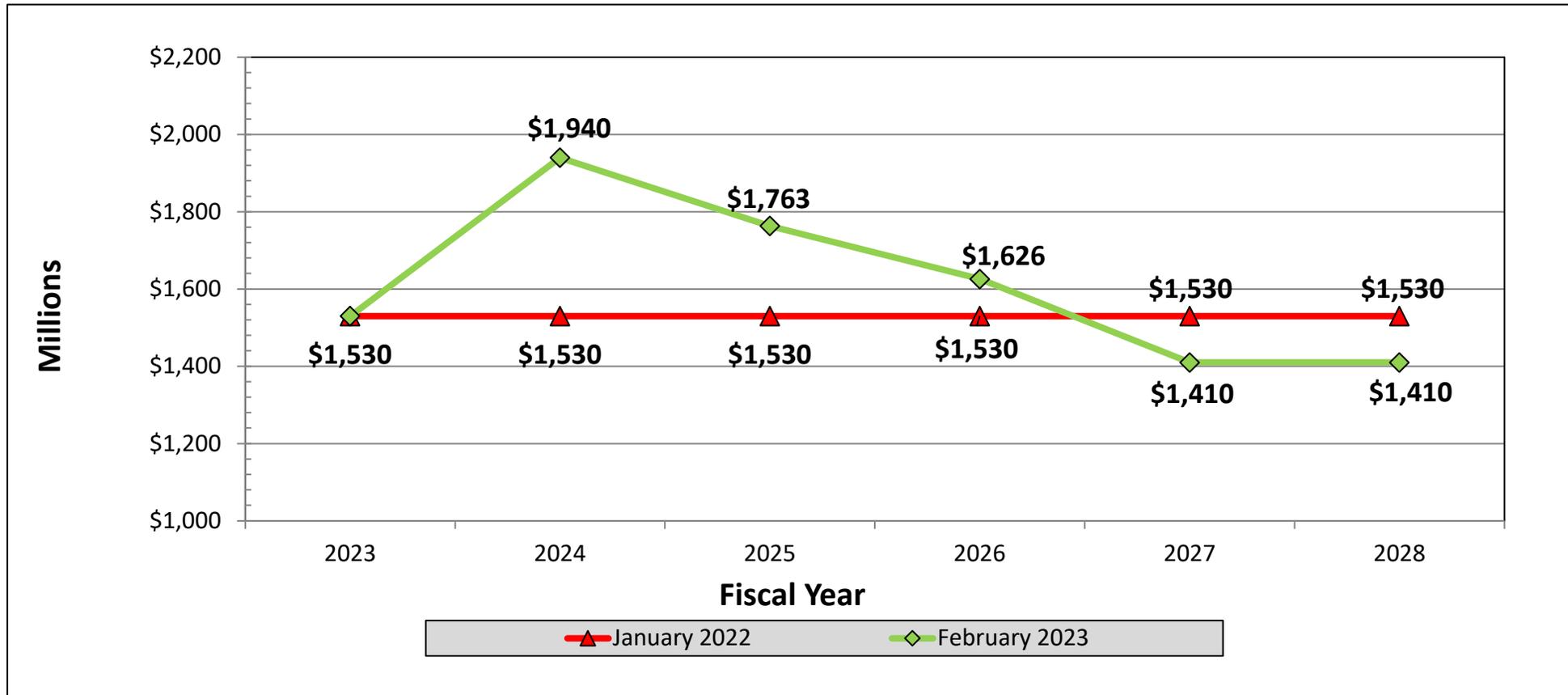
- Address project estimates per inflation
- Old program agreements make it tough to bid now
- Keep schedule and jobs moving to bid ASAP
- Don't create inflation locally
- Adjust completion dates and work access to give contractor flexibility





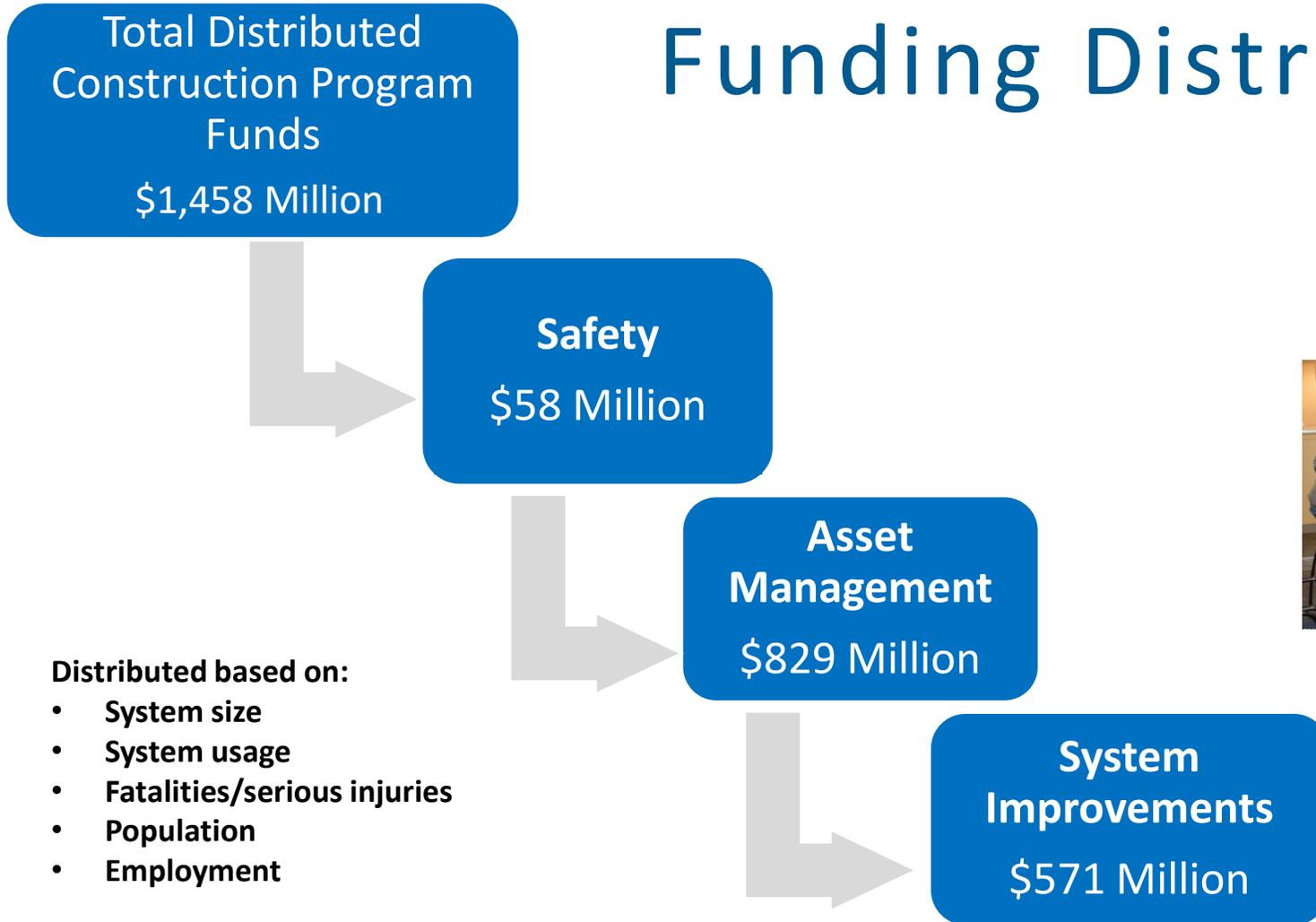
Financial Planning Model

Contractor Awards



Funding Distribution/Factors

Fiscal Year 2024 Amounts



2024 Distribution by Category of Funding

District	Asset Management	Safety	System Improvements
NW	9.201%	6.015%	4.648%
NE	7.793%	7.882%	4.694%
KCR	4.031%	3.955%	3.168%
KCU	13.559%	13.595%	17.984%
CD	12.716%	12.387%	11.265%
SL	21.996%	23.840%	34.510%
SWR	12.955%	14.859%	9.044%
SWU	3.798%	4.257%	5.896%
SE	13.950%	13.211%	8.791%
Total	100.000%	100.000%	100.000%



2024-2028 STIP

- Apply 7% inflation
- Address project estimates per inflation
- Pay careful attention to slotting and estimates
- Annual STIP development
- Fiscal constraint - 50% programmed in years 4-5



Dozen Farm Fresh Eggs.. Will trade for 2015 or newer JEEP. Don't try to low-ball me.. I know what I got.



Trading Fresh Eggs for JEEP

Questions?