

Portland Press Herald



Inflation forces Maine DOT to cut back on projects

Transportation officials have rejected 7 bids for \$28 million in road and bridge work so far this year because construction prices are outpacing state estimates.

By [Peter McGuire](#) Staff Writer 7.18.2022
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Soaring fuel, material and labor costs have forced Maine transportation officials to delay crucial highway projects.

The Maine Department of Transportation has rejected seven bids for highway and bridge work so far this year because contractors' proposals were far above project budgets.

Delayed projects

Seven highway projects estimated to cost \$28 million in total have been stalled because bids came in well over budgets. Here they are:

South Portland: Traffic signals on Broadway

Old Town: Stillwater Bridge replacement

Old Town: Road paving and safety improvements

Augusta: Road paving and safety improvements

Bangor: Road paving

Byron: Road paving

Shapleigh: Road paving

In April, the department had to put off reconstructing a major bridge in Old Town because the lowest bid was more than \$39 million, almost double what the state had budgeted. A department report in September 2020 said the bridge deck was in poor condition but that the structure was satisfactory. It was built in 1952.

"We hate rejecting bids," Transportation Commissioner Bruce Van Note said in an interview this month. "The public was planning on the work getting done. It is not a place we like to be."

[**Climbing costs drive state to pass up 12 more road and bridge projects**](#)

Transportation planners have been struggling to stay ahead of rising construction prices for years, and recent price spikes and supply chain disruptions have exacerbated the situation. In 2019, the department rejected bids on more than a [dozen road projects](#) that were at least 40 percent higher than estimates.

Since 2018, the transportation department has thrown out bids on 59 projects. Sixteen bids were rejected last year alone. So far, 2022 is turning out to be on the lower end in terms of bids that have been rejected, Van Note said.

State officials and contractors blame a tight labor market for high construction prices. But in the last year soaring fuel and materials costs compounded construction companies' continued challenges in finding enough workers.

"They have never seen it quite like this, everyone is waiting for things to settle out because they simply can't stay where they are right now," Van Note said. **The cost of road and bridge construction has gone up 50 percent in the last four years, he estimated.**

Prices have significantly increased for nearly all construction products. **Paving asphalt was almost 18 percent more expensive this June than a year before, while structural metal for bridges was up nearly 24 percent and concrete products were up more than 13 percent,** according to an analysis by the Associated General Contractors.

[As construction costs climb, key projects shrink and taxpayers' burden grows](#)

Construction prices increased by more than 1 percent in June alone. Though some materials cost less, items such as gypsum and concrete are likely headed for more increases, Ken Simonson, the association's chief economist, said in a statement.

"In addition, the supply chain remains fragile and persistent difficulties filling job openings mean construction costs are likely to remain elevated despite declines in some areas."

In Maine, elevated prices led the department of transportation to reject bids on paving projects in Augusta, Shapleigh, Old Town, Bangor and Byron, a bridge replacement in Old Town and traffic signals in South Portland.

\$28 MILLION IN WORK PUT OFF

In total, the department rejected nearly \$28 million in work, about 10 percent of its annual budget.

The department would not release its cost estimates for the paving or provide individual bid tabulations for the rejected projects. As soon as the department rejects all bids on a project, the tabulations are removed from its public bid website to protect contractors' prices in case the work is advertised again in the future, department spokesperson Paul Merrill said.

He said the work connected to the rejected bids will get done, but it wasn't clear Monday how or when.

"Sometimes we break the work up into smaller contracts," Merrill said. "Reconsider allowing night work because it is more expensive. Lots of different ways to sharpen our pencils to make sure the work still gets delivered."

Rising costs have blunted the impact of highway funding Maine received through the federal infrastructure bill passed last year. The state was in line for [an extra \\$66 million](#) a year for bridge and highway projects from that bill.

"If it hadn't come, I can't imagine where we'd be. The funding offset a good portion of those cost increases," Van Note said.

Lawmakers and Gov. Janet Mills also included \$100 million in the state budget for 2023 highway work, which means for the first time in eight years voters will not be asked to decide on a transportation bond this fall.

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As in year's past, the DOT is once again crying the money blues; the governor's \$100 million addition to the 2023 budget is already lost on this project. Those 7 "stalled" projects were crucial highway projects on existing infrastructure and not a new piece of asphalt that the City of Brewer didn't support.

Sargent is doing an excellent job and everyone I've talked to are extremely courteous and actually take time to answer our many questions, unlike how the DOT treated us over the 20+ years of the study.

I don't have any issue with Sargent, my issue is how we got here in the first place: The MaineDOT once "determined that an alternative must provide a limited-access connection between I-395 and Route 9 east of Route 46 [and] Alternatives that would connect to Route 9 west of Route 46 would severely impact local communities along Route 9 [and] would substantially increase the potential for new safety concerns and hazards."

Speaking of estimates, there's a striking disparity in the following estimates:

DOT estimate \$104 million in August 2020

Winning bid: \$83,936,246.25 in December 2021

Losing bid: \$107,993,295 in December 2021

My biggest complaint is why the DOT, a department that no longer assigns a dollar amount to the Bridges and Roads program's annual shortfall, is allowed to spend our limited transportation funding money on new projects instead of funding the unmet transportation needs of this state. The last reported shortfall was \$-232 million in March of 2020. Our unmet needs will not go away, they will only multiply. We need real fiscal responsibility by the MaineDOT to ensure that not one more foot of new asphalt is laid until our existing roads and bridges are repaired or replaced, and not waste our critical funds on another pet project.

“The estimated cost of the entire I-395/Route 9 Connector project is \$104 million.”



News Release for August 14, 2020

For more Information:

Paul Merrill, Director of Communications - 207-215-9297

BREWER - The Maine Department of Transportation will be beginning construction on the new Wilson Street Bridge in Brewer next week. Work is scheduled to begin on Tuesday, August 18th. The estimated completion date for this project is November 1st, 2021. The Wilson Street Bridge carries Route 1A over I-395. The contractor on this project is Wyman & Simpson, Inc. out of Richmond. The contract amount is \$10,744,239.

The Wilson Street Bridge replacement project is the first phase of MaineDOT's I-395/Route 9 Connector project. This project will complete the "missing link" between I-395 and Route 9. The new road will improve connectivity, mobility, and safety in the region. This project will provide economic benefits to both the Bangor area and the entire State of Maine. The estimated cost of the entire I-395/Route 9 Connector project is \$104 million.

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Maine Department of Transportation

12/8/2021

Vendor Ranking

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Call Order: 5	Contract ID: 018915.00	Counties: PENOBSCOT
Letting Date: December 08, 2021 11:00	District(s): EASTERN REGION	
	Contract Time: 07/18/25 COMPLETION DATE	Min: Max:

Contract Description: BREWER - EDDINGTON, NEW CONNECTOR CONSTRUCTION I-395	Project(s): 1891500
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Rank	Vendor ID/Name	Total Bid	Percent Of Low Bid
1	000707 SARGENT CORPORATION	\$83,936,246.25	100.00%
2	003318 Eurovia Atlantic Coast LLC dba Northeast Paving	\$107,993,295.00	128.66%