

# Portland Press Herald

## LOCAL & STATE

Climbing costs drive state to pass up 12 more road and bridge projects

[The Maine Department of Transportation has now canceled more than \\$59 million worth of work](#) for this year because it cannot afford the construction prices.

BY PETER MCGUIRE | STAFF WRITER | MAY 9, 2019

The Maine Department of Transportation has slashed more than \$59 million in road and bridge projects from its annual work plan in an effort to stay within budget amid sharply rising construction costs.

The department Thursday said it rejected a bid for paving and safety improvements on Interstate 295 through Portland and canceled 11 other planned construction projects. Last week, it rejected bids for three plans after receiving bids from contractors that were [at least 40 percent](#) more than what the agency had estimated the projects would cost.

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Overall, the cuts represent 15 percent of the department's \$393 million annual highway maintenance budget.

Canceled projects were selected based on safety and user impacts, highway priority, physical condition, extent of bid overages and lack of bidding competition. Since the department began advertising projects for the year, bids for state highway work have come in 30 percent higher on average than budgeted.

"If you asked me back in January if I would have been talking about canceling a lot of work, I would have said no," Transportation Commissioner Bruce Van Note said. The state built a 10 percent cushion on its estimates this year to cover expected increases.

“We hate doing this, but there is simply no choice,” Van Note said of the cuts. “We want to be very reliable and part of that is when something is not adding up and not working, you make a correction.”

Nationwide, construction costs hit a [10-year high](#) last year, driven up by a shortage of skilled labor and high materials costs. Highway construction costs rose almost 13 percent in 2018, according to the Federal Highway Administration.

In southern Maine, the problem is exacerbated by an acute labor scarcity and a surplus of work, including private construction and major highway projects from the [Maine Turnpike Authority](#).

In effect, the Maine DOT has been priced out of the local construction market.

## **PRESERVING PUBLIC SAFETY**

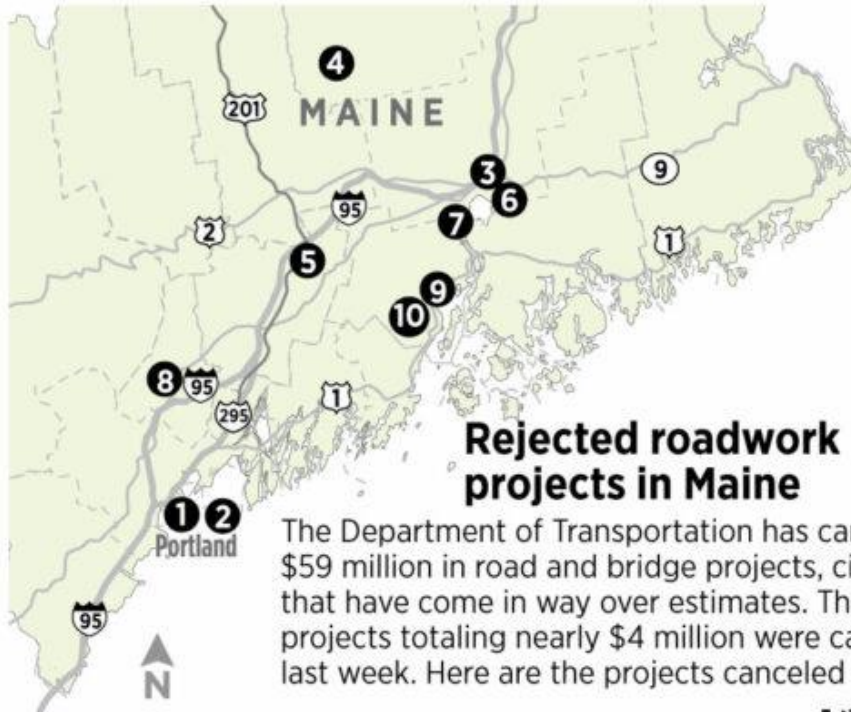
The state budgeted \$9.8 million for work on a heavily traveled stretch of I-295 between South Portland and Falmouth. Pike Industries was the only company that bid on the contract, for \$19.4 million – almost double what the state estimated it would cost.

In total, the state plans to cancel \$59.2 million worth of work. Most of the work will be moved into the next year’s work plan, but nothing is guaranteed, Van Note said. If the department keeps seeing spiking costs, it may have to reject more bids or cancel other work, he said.

Half the canceled projects are bridge replacements. The Department of Transportation prioritized bridge [replacement and maintenance](#) in the past 10 years to address the state’s aging and deteriorating inventory of more than 2,700 bridges statewide. Much of the remaining expensive work the department had to advertise this year was for bridges, Van Note said.

Canceled bridge replacements include a \$6.2 million plan for an Interstate 95 bridge on Ohio Street in Bangor; a \$11.9 million project on Interstate 395 in Brewer; and a \$1.7 million bridge over Taylor Brook in Auburn. None of those bridges has immediate safety issues, according to a review of 2018 state bridge reports.

“We wouldn’t cancel anything that is required to preserve public safety,” Van Note said.



Town and project		Estimated cost (in millions)
<b>1</b>	<b>Portland, South Portland and Falmouth</b> – I-295 and portions of the Falmouth Spur and ramps <b>Scope of work:</b> Road resurfacing and bridge joint replacement	\$9.8
<b>2</b>	<b>Portland</b> <b>Scope of work:</b> India Street Road resurfacing	\$0.4
<b>3</b>	<b>Bangor</b> <b>Scope of work:</b> Ohio Street, I-95 Bridge Bridge replacement	\$6.2
<b>4</b>	<b>Abbot</b> <b>Scope of work:</b> Route 6 Nearly 3 miles of road reconstruction	\$7.1
<b>5</b>	<b>Waterville</b> <b>Scope of work:</b> Trafton Road About 1.3 miles of road rehabilitation	\$3.7
<b>6</b>	<b>Brewer</b> <b>Scope of work:</b> Wilson Street, I-395 Bridge Bridge replacement	\$11.9
<b>7</b>	<b>Hampden</b> <b>Scope of work:</b> Twin Bridge over Soundabscook Stream Bridge replacement	\$1.3
<b>8</b>	<b>Auburn</b> <b>Scope of work:</b> Taylor Brook Bridge Bridge replacement	\$1.7
<b>9</b>	<b>Belfast</b> <b>Scope of work:</b> Sheldon Bridge Bridge replacement	\$0.7
<b>10</b>	<b>Belfast</b> <b>Scope of work:</b> Goose River Bridge Bridge replacement	\$2.4
	<b>Van Buren</b> <b>Scope of work:</b> Route 1 2.74 miles of road reconstruction	\$7.9
	<b>Fort Kent</b> <b>Scope of work:</b> Perley Brook Bridge Bridge replacement	\$2.2

SOURCE: Maine Department of Transportation

STAFF GRAPHIC | MICHAEL FISHER

Planned road reconstruction on Trafton Road in Waterville, Route 1 in Van Buren and Route 6 in Abbot also is off the table and so is a \$400,000 repaving plan on India Street in Portland.

Waterville City Manager Michael Roy said he was notified Thursday about the Trafton Road project, which would include widening and leveling the road, and improving drainage.

“It, of course, is very disappointing, but we have every reason to believe DOT is going to keep this project higher on their list,” he said, “and we certainly understand what prices have done to them because we’re starting to see some of those concerns about pricing locally.”

Roy said the city’s share of the approximate \$2 million project is \$500,000.

In a meeting with Maine transportation officials last week, more than two dozen executives from the state’s largest construction companies said that labor costs were the primary reason for soaring construction prices.

But scheduling conflicts, inflexible construction deadlines and work hour restrictions, and a highway funding deficit are making the labor shortage even harder to deal with, companies said.

Since most roadwork is done in the summer, peak travel time on Maine roads, state contracts sometimes require night work or other measures to keep traffic flowing. But finding enough people willing work at night is difficult and expensive, said Matt Marks, president and CEO of Associated General Contractors of Maine.

“Maine has been very fortunate in that traveling in the last few years you don’t get a lot of delays even in construction,” Marks said. “We go out of our way to make sure it does not impact traffic flows – that is a cost.”

## **MANY CONCURRENT PROJECTS**

Van Note doubts work restrictions are the primary cost driver, but said the department may have to revisit some of its rules if it tips the balance back to low prices.

Another contributing factor is an abundance of other infrastructure projects. In addition to booming private development in the Portland area, the Maine Turnpike Authority has an

unusual amount of construction work this year. That work includes a \$39.5 million toll booth replacement in [York](#) and two highway bridge replacements to make room for a multiyear turnpike [widening](#) through Portland. Those jobs sucked a lot of workers away from highway work in southern Maine, Peter Mills, the turnpike authority's executive director, said in an interview last week.

"We're part of the problem," Mills said. "We have a lot of work out there, there is only so much oxygen in the industry."

Some regard canceled road projects as a disappointing but unsurprising consequence of [persistent budget shortfalls](#) that have lasted decades.

"Anyone who follows funding at Maine DOT, no one should be shocked at this," said Maria Fuentes, executive director of the Maine Better Transportation Association. "There have been so many indications over several years that the department is in severe financial constraints."

State officials acknowledge Maine spends \$108 million less a year than it should to meet the needs of its aging transportation infrastructure. The state covers some of the transportation funding gap by borrowing \$100 million a year, a practice some lawmakers call [unsustainable](#).

"We can blame it on the worker shortage and that is part of it now," Fuentes said. "But it is much more systemic, it has been coming for a long time."