

IMMEDIATE RELEASE

Aug. 4, 2022

News Contact:

Ann Melton, (785) 409-2190 or Ann.Melton@ks.gov

KDOT extending procurement on U.S. 69 express lane project in Overland Park to try to reduce project cost

KDOT received two qualified proposals on the U.S. 69 express lane project in Overland Park which exceeded KDOT's most recent project estimate of \$430 million. Due to the substantial cost difference, KDOT staff will work with the two teams to modify the request for proposal (RFP) to try to drive down the project costs. The two teams will be asked to revise their pricing based on these RFP modifications.

The U.S. 69 project includes widening U.S. 69 from four lanes to six lanes from 151st Street to 103rd Street in Overland Park. The new lanes will be express toll lanes. It also includes construction of 11 noise walls and improvements to the 167th interchange. KDOT will not make any changes to the scope of the project in the revised RFP.

Because this project spans multiple years, KDOT believes that the current uncertainty surrounding labor, materials, and fuel prices likely contributed to prices exceeding the estimate. One strategy KDOT will evaluate with the teams to mitigate this, is to transfer some inflation risk from the contractors to KDOT. Known as price indexing, this strategy allows annual pricing adjustments based on actual market conditions. This approach is already used by KDOT on certain items like asphalt and fuel. By revisiting prices annually, this ensures taxpayers are paying closer to current market rates and not locked into paying higher prices throughout the life of the project based on an estimate made under current challenging market conditions.

This situation is not unique to KDOT. Nationwide, many DOTs have recently had to cancel projects or revise project scope due to high bid prices. According to the American Road and Transportation Builders Association (ARTBA), "the transportation industry has confronted unprecedented pandemic-related cost increase and often-limited availability for key commodities and materials." Price indexing is one strategy used by other DOTs to address similar concerns as what KDOT is experiencing on U.S. 69.

"We remain committed to completing U.S. 69 as promised," said KDOT Secretary Julie Lorenz. "DOTs and contractors nationwide are having to navigate an unprecedented amount of uncertainty due to inflation. We're taking additional steps to ensure we're

delivering this project as cost-effectively as possible for taxpayers while also minimizing the impact on the schedule to complete this much-needed project.”

KDOT will begin work immediately with the two teams to modify the RFP and manage impact to the project schedule. The expectation is that the procurement extension will have a minimal impact on the overall project schedule. Currently, the U.S. 69 express lanes are scheduled to be complete by the end of the 2025 and the entire project, including the 167th Street interchange by 2026.

KDOT is taking steps with upcoming projects to better manage these risks.

Please note that due to the U.S. 69 procurement process remaining open and to ensure it remains a highly competitive process, KDOT is unable to comment on prices previously received nor how much higher they were than the estimate.

###

This information can be made available in alternative accessible formats upon request.

For information about obtaining an alternative format, contact the KDOT Office of Public Affairs,

700 SW Harrison St., 2nd Fl West, Topeka, KS 66603-3745 or phone 785-296-3585 (Voice)/Hearing Impaired – 711.

Click below to connect to KDOT's Social Networks:

