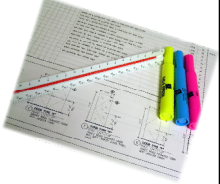


Trucking



Hosted by
M Squared Engineering, LLC
on behalf of
**The Illinois Department of Transportation –
Office of Business and Workforce Diversity**
April 19, 2012



Introductions



- **Presenters:**
 - Vinu Patel
 - Minal Hahm, PE, CFM
- **Attendees – Welcome and introduce around the room**
 - Name / Title
 - Company
 - How can we help you today?



Illinois PTAC



- Offering procurement and contracting assistance for Illinois businesses interested in selling to the Government.

Ann Johns
a.johns@rockvalleycollege.edu
Phone: 815-921-2091





About M Squared Engineering, LLC

- Woman-owned DBE firm serving DOT
- Founded in 2003
- Provide comprehensive consulting and engineering/surveying services
- Recent/Current projects:
 - US 150 – District 4, Illinois
 - I-39/I-90/I-94 Flood Study – Central, Wisconsin
 - Providing Technical Supportive Services – Districts 2 and 3




Technical Supportive Services

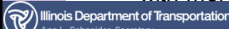

- Serving Districts 2 and 3
- Assistance with Bidding, Estimating, other DOT related project pursuits
- Workshops in both districts to firms
 - Certified Payroll
 - Bidding and Estimating
 - Plan and Specifications Review
 - Force Account
 - Trucking
 - Vertical and Horizontal Concrete
 - Open to other topics critical to the industry



Miscellaneous Announcements



- Please turn cell phones off
- Format for today
 - Casual – questions can be asked throughout
 - Will have a brief break half-way through
- Pre-requisite
 - Attendees understand DOT website
 - Good understanding of reading plans and specifications
 - If not – we'll work through it and follow up with more detail at a later date.



Trucking Equipment

- Standard dump trucks
- Truck and pup
 - Trailer has own hydraulic ram and self-unloading capacity
- Articulated dump truck



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Trucking Equipment

- Trailer dump truck
- Semi-trailer dump truck



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Trucking Equipment

- Semi-trailer bottom dump truck
- Side dump truck



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Trucking Equipment

- Off road dump truck
- Transfer dump truck
 - Trailer fills standard truck
 - Can be set up as a triple transfer



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Milling Operation



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HMA Paving Operation



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Mobilization




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Avoid: Driving with Trailer Lifted



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Avoid: Power Lines




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Avoid: Dumping Near Obstructions



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Avoid: Obstructions



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DBE Utilization Goals (Calculating Participation)

- Only the Value of the work actually performed by the DBE counts towards the DBE Goals.
- You cannot include supplies and equipment that is purchased or leased from a Prime Contractor or it's affiliate.
- If you Subcontract to another firm, 100% of the work may be counted only if they are also a DBE.
- The DBE must perform a commercially useful function.

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Fed. Regulations for DBE (49 CFR part 26.55)


- 1) The DBE must be responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract, and there cannot be a contrived arrangement for the purpose of meeting DBE goals.
- 2) The DBE must itself own and operate at least one fully licensed, insured, and operational truck used on the contract every day that hauling is performed.
- 3) The DBE receives credit for the total value of the transportation services it provides on the contract using trucks it owns, insures, and operates using drivers it employs.



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Fed. Regulations for DBE (49 CFR part 26.55)

- 4) The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the contract.
- 5) The DBE may also lease trucks from a non-DBE firm, including from an owner-operator. The DBE who leases trucks from a non-DBE is entitled to credit for the total value of transportation services provided by non-DBE lessees not to exceed the value of transportation services provided by DBE-owned trucks on the contract. Additional participation by non-DBE lessees receives credit only for the fee or commission it receives as a result of the lease arrangement. If a recipient chooses this approach, it must obtain written consent from the appropriate Department Operating Administration.




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IDOT DBE Special Provision (Disadvantaged Business Enterprise Participation)

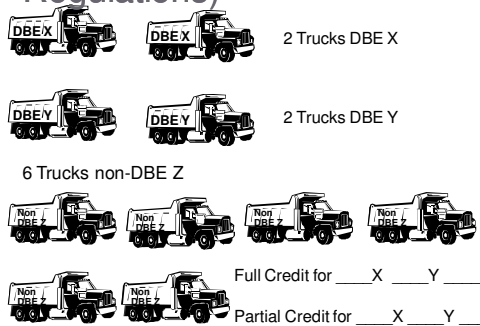
d) DBE as a trucker: 100 percent goal credit for trucking participation provided the DBE is responsible for the management and supervision of the entire trucking operation for which it is responsible. At least one truck owned, operated, licensed, and insured by the DBE must be used on the contract. Credit will be given for the following:

- 1) The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives 100% credit for the total value of the transportation services the lessee DBE provides on the contract. *Same as #4 on previous slide*
- 2) The DBE may also lease trucks from a non-DBE firm, including from an owner-operator. The DBE who leases trucks from a non-DBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. *Different than #5 on previous slide*




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Example (Federal Regulations)



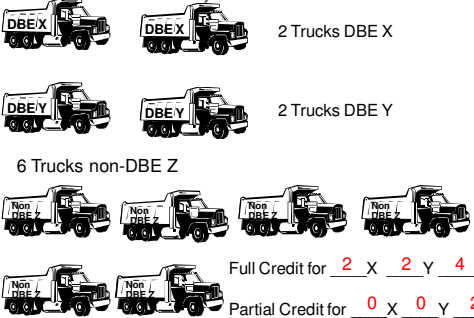
2 Trucks DBE X
2 Trucks DBE Y
6 Trucks non-DBE Z

Full Credit for ___ X ___ Y ___ Z
Partial Credit for ___ X ___ Y ___ Z




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Example (Federal Regulations)



2 Trucks DBE X
2 Trucks DBE Y
6 Trucks non-DBE Z


Full Credit for 2 X 2 Y 4 Z
Partial Credit for 0 X 0 Y 2 Z



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IDOT DBE Requirements

- Diesel Retrofit
 - Be prepared to provide documentation that your truck had been retrofitted if it is on the list.
- Be aware of the Deficiency Deduction
 - \$1,000 daily for each deficiency identified
 - If you have three deficiency deductions for the same piece of equipment, the Contractor can be shut down until the equipment is retrofitted or removed from job site.
- Diesel Vehicle Emission Control
 - Use Ultra-Low Sulfur Diesel Fuel (ULSD)
- Idling Restrictions
 - Staging Areas – to be located away from sensitive receptors (i.e. schools, hospitals, etc.)



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IDOT DBE Requirements

(Construction Air Quality – Diesel Retrofit)

Contractor and subcontractor diesel powered off-road equipment assigned to the contract shall be retrofitted using the phased in approach shown below. Equipment that is of a model year older than the year given for that equipment's respective horsepower range shall be retrofitted:

Effective Dates	Horsepower Range	Model Year
June 1, 2010 ^{1/}	600-749	2002
	750 and up	2006
June 1, 2011 ^{2/}	100-299	2003
	300-599	2001
	600-749	2002
	750 and up	2006
June 1, 2012 ^{2/}	50-99	2004
	100-299	2003
	300-599	2001
	600-749	2002
	750 and up	2006

1/ Effective dates apply to Contractor diesel powered off-road equipment assigned to the contract.
2/ Effective dates apply to Contractor and subcontractor diesel powered off-road equipment assigned to the contract.




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IDOT DBE Requirements

Construction Air Quality – Idling Restrictions

Diesel powered vehicle operators may not cause or allow the motor vehicle, when it is not in motion, to idle for more than a total of 10 minutes within any 60 minute period, except under any of the following circumstances:

- 1) The motor vehicle has a gross vehicle weight rating of less than 8000 lb (3630 kg).
- 2) The motor vehicle idles while forced to remain motionless because of on-highway traffic, an official traffic control device or signal, or at the direction of a law enforcement official.
- 3) The motor vehicle idles when operating defrosters, heaters, air conditioners, or other equipment solely to prevent a safety or health emergency.
- 4) A police, fire, ambulance, public safety, other emergency or law enforcement motor vehicle, or any motor vehicle used in an emergency capacity, idles while in an emergency or training mode and not for the convenience of the vehicle operator.
- 5) The primary propulsion engine idles for maintenance, servicing, repairing, or diagnostic purposes if idling is necessary for such activity.
- 6) A motor vehicle idles as part of a government inspection to verify that all equipment is in good working order, provided idling is required as part of the inspection.




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IDOT DBE Requirements

Construction Air Quality – Idling Restrictions

- 7) When idling of the motor vehicle is required to operate auxiliary equipment to accomplish the intended use of the vehicle (such as loading, unloading, mixing, or processing cargo; controlling cargo temperature; construction operations, lumbering operations; oil or gas well servicing; or farming operations), provided that this exemption does not apply when the vehicle is idling solely for cabin comfort or to operate non-essential equipment such as air conditioning, heating, microwave ovens, or televisions.
- 8) When the motor vehicle idles due to mechanical difficulties over which the operator has no control.
- 9) The outdoor temperature is less than 32 °F (0 °C) or greater than 80 °F (26 °C).


When the outdoor temperature is greater than or equal to 32 °F (0 °C) or less than or equal to 80 °F (26 °C), a person who operates a motor vehicle operating on diesel fuel shall not cause or allow the motor vehicle to idle for a period greater than 30 minutes in any 60 minute period while waiting to weigh, load, or unload cargo or freight, unless the vehicle is in a line of vehicles that regularly and periodically moves forward.



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Questions


- Q. Do owner/operators who perform covered work have to be included on certified payrolls?
 - A. Yes. The information required for owner/operators is the same as for employees, with no exceptions.
- Q. The prime contractor requires the subcontractor to file certified payrolls with them. Does this satisfy the subcontractor's filing requirements with the awarding public body?
 - A. No. The law requires that all subcontractors and contractors file certified payrolls within 10 days of pay dates with the awarding public body. An original signature certifying the accuracy of the payroll records is required on the payroll filed with the public body.



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Questions


- Q. Are there any special forms?
 - A. Yes – some are presented further in today's workshop.
- Q. What is the legality of brokering minority authority?
 - A. This was covered earlier in our workshop.
- Q. Employee vs. Owner/Operator and Department of Labor vs. ICC?
 - A. Please clarify question.
- Q. Is there a special certified payroll form for sub-contractors who are "third-tier"?
 - A. Third tier is not allowed by IDOT. A form that can be used for 2nd tier will be presented further in our presentation.



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IDOT Truck Monitoring Report


- Submitted every week for leased trucks
- Covers trucks not owned by the prime contractor
- BOTH DBE and non-DBE have to be reported



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Covered Work

- Payment of prevailing wages
- House Bill 3237 (Public Act 97-0571)




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House Bill 3237 (Public Act 97-0571)

Changes to Illinois' Prevailing Wage Act effective Jan 1, 2012 – Amends the Prevailing Wage Act to:


- Increase the penalty from a Class B misdemeanor to a Class A misdemeanor for willfully failing to file a certified payroll or filing a false certified payroll.
- Allow federal, State or local law enforcement agencies and prosecutors access to certified payroll records.
- Provide that any contractor or subcontractor convicted or found guilty of one of the aforementioned violations is subject to an automatic and immediate debarment from participating in any public work project for four years, with no right to a hearing.



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Certified Payroll Recordkeeping

- Contractors and subcontractors must keep accurate records for at least 3 years showing the name, address, telephone number, social security number, classification/occupation, hourly wages (including itemized hourly cash and fringe rates), hours worked each day, gross and net weekly wages (itemizing deductions) for each laborer, worker and mechanic employed on public works.
- Records shall be open at all reasonable hours to inspection by the public body awarding the contract, and the Department of Labor. The public body and the Department of Labor may also subpoena the production of all books, records, and other evidence related to an investigation or hearing.



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New Employee Classification Act




Illinois Department of Labor
Employee Classification Act
Public Act 95-0026
Effective: January 1, 2008

The Employee Classification Act (830 ILCS 185-1-999) was signed into law August 6, 2007 and will take effect January 1, 2008. The purpose of the law is to address the practice in the construction industry of contractors misclassifying workers as independent contractors in order to avoid tax and labor law obligations, such as payroll taxes, unemployment insurance contributions, workers' compensation premiums and minimum wage and overtime payments.

Definition of Independent Contractor-Sole Proprietor Partnership
The Employee Classification Act establishes specific criteria to determine if an individual performing services for a construction contractor is an employee or an independent contractor. Under the law, an individual performing services for a contractor is presumed to be an employee unless (1) the individual is free from control or direction over the performance of the service for the contractor; (2) the service performed is outside the usual course of services performed by the contractor; and (3) the individual is engaged in an independently established trade, occupation, profession or business. However, a sole proprietor or partnership performing services for a contractor would not be considered an employee of the contractor as long as they can show that they are a legitimate subcontractor by meeting all 12 conditions specified in Section 10(c) of the Act.

Coverage/Exclusions
The new law applies to all construction work performed within the State of Illinois, including but not limited to:
• Public and private construction;
• Residential and commercial building;
• Road, bridge, sewer, railroad, excavation and water works.



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http://www.state.il.us/agency/idol/forms/pdfs/eca_fs

NECA Independent Contractor Test

Section 240.320 Independent Contractor Test

a) An individual performing services for a contractor is deemed to be an employee unless the individual meets all three conditions in Section 10(b)(1), (2) and (3) of the Act or the sole proprietor or partnership is deemed legitimate by meeting all 12 conditions in Section 10(c) of the Act.


b) In determining whether direction or control exists, the Department will consider the following factors. For purposes of this Section, an "individual" means an individual performing services for a contractor. No one factor is dispositive of the issue of whether an individual is an employee or an independent contractor. The Department will review the totality of circumstances in making a decision on direction and control.



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NECA Independent Contractor Test


1. Is the individual eligible for a pension, health insurance, bonuses, paid vacation, or sick pay?
2. Does the contractor carry Workers' Compensation insurance and pay Unemployment Insurance taxes on the individual?
3. Does the contractor deduct Social Security taxes from the individual's compensation and report the worker's income to the Internal Revenue Service (IRS)?
4. Does the contractor furnish the individual with transportation, samples, business cards, or an expense account?



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NECA Independent Contractor Test


5. Does the contractor require the individual to turn down work from other contractors or assign or limit the territory in which the individual performs services?
6. Does the contractor set the price and credit terms for the product or the services being performed by the individual?
7. Does the contractor require attendance at meetings or provide training?
8. Does the contractor have the right to set rules and regulations?



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NECA Independent Contractor Test

9. Does the contractor require the individual to perform services a specific number of hours per day or per week?
10. Does the contractor issue assignments, schedule work or set quotas with time requirements?
11. Does the contractor require the individual to follow a routine, order or sequence set by the contractor in performing the services?
12. Does the contractor engage the individual with the expectation that the relationship will continue indefinitely, rather than for a specific project or period of time?




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NECA Independent Contractor Test

c) "Usual course of services" means that the services rendered by the individual are necessary to the contractor's business and not simply incidental to the business. The fact that the services are customarily or routinely provided by an individual is not dispositive of the issue of whether the services are actually necessary to the contractor's business. In addition, if a task is performed by both a contractor's employees as well as its independent contractors, the task is considered to be in the usual course of the contractor's services.

d) "An independently established trade, occupation, profession or business" means the individual performing the services has a proprietary business, to the extent that the individual operates




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NECA Independent Contractor Test

e) An individual may be an employee without being entirely dependent upon the relationship with a specified contractor for the individual's livelihood. An individual engaged in other occupations may be an employee of a specified contractor even though the individual only worked intermittently or part time.

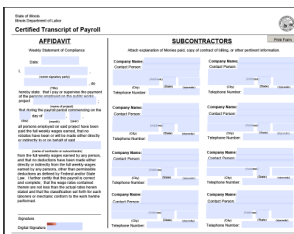

f) In determining whether an individual performing services for a contractor is an employee of the contractor, the Department shall consider the actual, rather than the alleged, relationship between the two. Designations and terminology used by the parties, as well as the individual's status for tax purposes, are not controlling.



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Form for 2nd Tier Certified Payroll

<http://www.state.il.us/agency/idol/forms/pdfs/IL452CM01.pdf>

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State of Illinois
Illinois Department of Labor

Certified Transcript of Payroll

AFFIDAVIT

Weekly Statement of Compliance

Date: _____

I, _____ (Name of contractor or subcontractor), do hereby state that I pay or supervise the payment of the persons employed on the public works project _____ (Name of project) _____ (City) _____ (State) _____ (County) that during the payroll period commencing on the _____ (Date) _____ (Month) _____ (Year) all persons employed on said project have been paid the full weekly wages earned, that no retainage have been or will be made either directly or indirectly to or on behalf of said _____ (Name of contractor or subcontractor) from the full weekly wages earned by any person, and that no deductions have been made either directly or indirectly from the full weekly wages earned by any persons, other than permissible deductions as defined by Federal and/or State Law. I further certify that this payroll is correct and complete; that the wage rates contained therein are not less than the actual rates herein stated and that the classification set forth for each laborer or mechanic conform to the work he/she performed.

Signature _____

SUBCONTRACTORS


Attach explanation of Monies paid, copy of contract of letting, or other pertinent information.

Company Name: Contact Person: (Address) (City) (State) (County) Telephone Number:	Company Name: Contact Person: (Address) (City) (State) (County) Telephone Number:
Company Name: Contact Person: (Address) (City) (State) (County) Telephone Number:	Company Name: Contact Person: (Address) (City) (State) (County) Telephone Number:
Company Name: Contact Person: (Address) (City) (State) (County) Telephone Number:	Company Name: Contact Person: (Address) (City) (State) (County) Telephone Number:
Company Name: Contact Person: (Address) (City) (State) (County) Telephone Number:	Company Name: Contact Person: (Address) (City) (State) (County) Telephone Number:

Print Form

Weekly Trucking Report

- IDOT form required
- Name of company
- Owner/operator status
- DBE status
- Who truck is licensed to
- Date of activities
- Who truck is leased to



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Illinois Department of Transportation
Weekly Trucking Report

Report for Week Ending: _____

Contract Information

Name: _____ Contract No: _____
 Address: _____ Project: _____
 City/State: _____ Section: _____
 Zip: _____ County: _____
 District: _____

Please provide the following information:

	Name of Trucking Company	Owner/Operator Status (Y/N)	DBE Status of the Company (Y/N)	Name on the Truck and/or license plate number on the truck	Date of Trucking Activities	Leased to *
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Contractor Signature: _____ IDOT Representative Signature: _____

Remarks:

Instructions:

The report shall not include trucks owned and operated by the contractor.

The reporting period shall be Monday through Friday for each week any trucking activities occur. The report shall be submitted by the Friday following the reporting period.

Use additional pages in necessary.

*If truck is leased to DBE firm.

WEEKLY TRUCKING REPORT

The Contractor shall provide a weekly summary of all trucks used on the jobsite, all trucks used for the delivery of equipment/material to the jobsite, and all trucks used for the removal of equipment/material from the jobsite.

The report shall be submitted on the form provided by the department and shall include, but not limited to, the following items:

1. The name of the trucking company.
2. Owner/Operator status.
3. DBE status of the company.
4. Name on the truck or license plate number of the truck.
5. The dates trucking activities occurred.

The report shall not include trucks owned and operated by the contractor.

The reporting period shall be Monday through Friday for each week any trucking activities occur. The report shall be submitted by the Friday following the reporting period.


The report shall be submitted to the Resident Engineer and a copy shall be provided to the district EEO Officer.

Method of Measurement. The report will not be measured for payment.

Basis of Payment. The cost of providing the report shall be included in other items of work.

Calculations for Trucking


- Owning and Operating a Semi-Tractor and Dump Trailer
- Estimated Trucking Costs
- Setting the Best Hauling Rates
- Fill Volume Calculator - online



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Owning & Operating Semi Tractor and Dump Trailer

- What does it cost to OWN a semi-tractor with a dump trailer.
 - The price you pay for the unit whether new or used.
 - The interest cost you pay for the purchase price.
 - Major repairs can significantly increase the cost of ownership.
 - Insurance
 - Depreciation
 - Salvage value or economic value
- What does it cost to OPERATE a semi-tractor with a dump trailer.
 - Taxes, Permits, Licenses, FET taxes
 - Tires
 - Fuel & Lubricants
 - Minor Repairs & Maintenance
 - Brakes / Wheels



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Owning & Operating Semi Tractor and Dump


Tangible Costs versus Intangible Costs

- Driver's Safety & Driver's Style
- Downtime – time when there is work but driver doesn't show, unexpected repairs, accidents, etc.
- Labor Strikes
- Dependability

Pro Forma Study: A Study of Judgment


Basis of Analysis
Good used tractors with good dump trailers are a factor in success (dependability should translate into profit).

Assume – 2002-2006 Tractor with 275 11.00x22.5 radial tires powered by a Cummins/Detroit series 60 450 HP engine with wet kit & set as a semi-dump operation. A steel body Dump Trailer with Air Suspension, Crank & Go Tarp 22' wide, 11.00x22.5 Radial Tires, and 4 Stage Hoist.
Total Cost Approx - \$100,000



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EXAMPLE #1




Cost Analysis Basis:

Original Cost: \$100,000
Salvage Value: \$50,000
Useful Life*: 5 Years

Yearly Budget of Hours of Operation:

Construction Work Days = 165
Hours per Day = 8
Hours per Year = 1,320
Total Hrs of Useful Life = 6,600 hours

*Truck & Trailer's Life for Depreciation – 5 Years



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EXAMPLE #1

Basis for Cost of Ownership Calculation

Cost - \$50,000 / 6,600 hrs = \$7.58
Est. Taxes - \$10,000 / 6,600 hrs = \$1.51
Est. Interest* - \$23,000 / 6,600 hrs = \$3.49
Repair Costs - \$35,000 / 6,600 hrs = \$5.30

Cost of Ownership Total = \$ 18.79 per hour

**(8.5% on \$100,000 for 60 Mo.)*



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EXAMPLE #1

Permit & Licensing

\$3,000 Annual Cost * 5 years = \$15,000
\$15,000 / 6600 hours = \$2.27 / hour

Tires – 1 Set in 5 years

Avg. Cost = \$400 / tire x 18 Tires
\$7,200 / 6600 hours = \$1.09 / hour



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EXAMPLE #1

Fuel, Lubrication & Misc.

Assume 5 MPG or 40 GPD
40 GPD * 165 Days = 6,600 Gallons
9,900 Gal * \$4.00 / Gallon = \$26,400
\$132,000 / 6,600 hours = \$20.00 / hour


Other misc cost (Tarp replacement) = \$1.00 / hour

Total Operating Cost = \$24.36 / hour

Total Ownership & Operating Cost = \$29.15 / hour

Add Driver with Benefits = \$49.08 / hour

Total ESTIMATED Cost = \$102.59 / hour




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Estimated Trucking Costs

- 1 semi-truck trailer handles 18 tons of material
- 15 minutes to load truck
- 10 minutes to travel to site,
- 10 minutes to dump


1 Trip = Load + travel + dump + travel + (break/waiting)
= 45 min total + Break/waiting



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Factors to consider

- Fuel Cost
- Maintenance Cost
- Lease/rental costs
- Liability Insurance
- Benefits, Health Insurance
- Driver Cost
- Title, Fees
- Profit / Overhead (Cost for your office/yard)
- Traffic Control
- Safety (Vest, Hearing Protection, Training Programs)
- Is travel time paid for?



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Calculating Number of Loads


Weight of Concrete Pavement:

___ CY x 9 x (Thickness in feet) = ___ CF

___ (CF) x 150 (Lbs/CF) ÷ 2,000 (Lbs / Ton) = ___ Tons

of Truck Loads:

___ (Tons) / 18 (Tons / Load) = ___ Loads



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EXAMPLE #2


Patch (Type I), 13" – Removal in CY/Ton = 210 SY

Plan Quantity = ___ SY

CF = ___ (SY) x ___ (SF/SY) x ___ (in / Ft)
= ___ CF

CY = ___ (CF) / ___ (CF/CY) = ___ CY

Tons = ___ (CF) x ___ (Lbs/CF) + ___ (Lbs. / Ton)
___ (Tons) / ___ (Tons / Load) = ___ Loads



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EXAMPLE #3


Patch (Type III), 13" – Removal in CY / Ton = 600 SY

CF = ___ SY x ___ SF/SY x ___ (in/FT)

= ___ CF

= ___ Tons


= ___ Truck Loads



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Estimating Trucking Cost

- Expenses:
 - Monthly loan payment on Truck
 - Insurance
 - Fuel
 - Maintenance: (1) Oil Changes
(2) Tire Replacements
(3) Washes
(4) Other Maintenance / Repairs
- Other Expenses: (1) Highway Taxes
(2) License Plates
(3) Parking



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EXAMPLE #3

Expenses:


Overhead Costs: (1) Telephone Bill & Other Utilities
(2) Office Space Lease

Example:

Office Space Lease: \$ ___ per month
\$ ___ per year

Maintenance Costs:

(1) Oil Changes per truck per year = \$ ___
(2) Tire replacements per truck per year = \$ ___
(3) Truck Washes per truck per year = \$ ___
(4) Other maintenance per truck per year = \$ ___



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EXAMPLE #4


Other Expenses:

- (1) Avg. highway taxes per truck per year = _____
- (2) License Plate Costs per truck per year = _____
- (3) Parking Costs per truck per year = _____

Insurance Costs: Cost per truck per year = _____

Fuel Costs: $\frac{\text{(Miles of travel per day)} \times \text{(Cost of Fuel)}}{\text{Est. Fuel Economy of Truck (mpg)}}$

= Fuel cost per day per truck



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EXAMPLE #4

Monthly Payment for Truck & Trailer:


Monthly cost = \$ _____ + \$ _____ = \$ _____ per mo.
= \$ _____ per yr.

Overhead Costs:

Office supplies per year = \$ _____
Office space rental per year \$ _____

40 hrs per week x 52 per yr. = 2,080 working hours per year

Cost per hour = $\frac{\text{Total Cost per year}}{2080 \text{ hours}}$ = \$ _____ per hr.



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EXAMPLE #3

Cost or unit charge per hour

\$ _____ + \$ _____ + \$ _____ = \$ _____ per hr

Profit: (15% for example)

\$ _____ x 1.15 = \$ _____ per hour



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Setting The Best Hauling Rates

What is Best Rate?
What it includes or constitutes.


1. Your Proposal must be profitable to you.
2. Your Proposal price must be acceptable to the Contractor.

If you make or prepare the rate that is acceptable to you client or Prime. Be sure you make a profit for yourself.

There are 4 steps:

Step 1:
Developing a profitable rate: You must know what your costs are and not your cost percentile but your Fixed Costs, Constant Variable Cost and your Load Specific Cost.

- a) Fixed Cost: Any expenses which are accruing every day of the year, regardless if your truck moves or not.
- b) Constant Variables: are operational expenses that occur every time you start your truck and begin moving.




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Setting The Best Hauling Rates

c) Load Specific Costs are expenses directly related to a specific trip or load which may not apply to another load or trip.

Step 2

- Fuel Cost Adjustment Policy (FCAP): Keep fuel cost from fixed cost to operate.
- Fuel Costs are variable and rising (not stable in today's market)
- Determine your "Break Even" point with all other expenses (fixed and constant variables) and add to the capitalization point.




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Setting The Best Hauling Rates

Step 3

- Determine Capitalization Point - Consider the following steps for creating capitalization point.
 1. Determine Currency Annual Fixed Cost
 2. Multiply your Annual Fixed Cost by 1.5
 3. Determine the Equipment you will need to grow your company in the next five years .
 4. Fixed cost multiplied by 1.5 is added to 5-year Growth Equipment Costs. The Total Cost is the Capitalization Point.
 5. Need to determine the time to reach Capitalization.




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EXAMPLE #5

Annual fixed cost or expenses are \$125,000
 $\$125,000 \times 1.5 = \$187,000$

Assume you will need \$50,000 for a used truck and trailer in the next three years.
 $\$187,000 + \$50,000 = \$237,500$
 (i.e. The Capitalization Point = \$237,500)

Recovery of Capitalization:
 $\$237,500$ divided by 150 weeks = \$1,583
 Total = Weekly break-even point + \$1,583




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EXAMPLE #5

Let's assume that the break-even point is \$4,500 per week.
 $\$4,500 + \$1,583 = \$6,083$

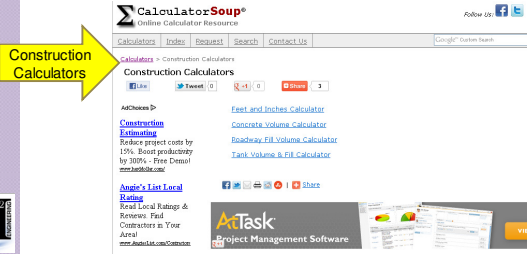

Needed weekly revenue = \$6,083
 Needed daily revenue = \$6,083 divided by 5 days
 = \$1,216.60 per day

Note: Revenue is based on 7 day week but divide by 5 for the daily revenue.



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<http://www.calculatorsoup.com/>

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Example #6 - Fill Volume Calculation

Material: Gravel, dry, loose
 Unit cost: \$20/ton
 Length: 2300 LF
 Width: 20 FT
 Depth: 8"





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Roadway Fill Volume Calculator

- Estimate material fill requirements for roadway using online calculator
- Uses common roadway materials

<http://www.calculatorsoup.com/calculators/construction/roadway.php>



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Example #6

Calculate Volume of: Roadway
 For Material: Gravel, dry, loose
 Cost: \$ 20 per Ton (short US)

Length = 2300 foot (ft)
 Width = 20 foot (ft)
 Depth = 8 inch (in)

Calculate

Material Estimates:
 Volume:
 868.383 m³
 1,135.802 yd³

Density:
 1,522.000 kg/m³
 2,565.415 lb/yd³

Tons of Material:
 1,456.902 Tons (short US)
 1,300.805 Tons (long)
 1,321.679 Tons (metric)


Cost of Material:
 \$ 29,138.04

Input Data Here

Volume

Total Tons


Material Cost



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Useful Websites

- www.equipmentwatch.com
- www.selecttrucks.com
- www.calculatorsoup.com
- www.rermag.com
- www.greenguide.com
- www.Ironplanet.com




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IDOT Letting Schedule

<http://www.dot.state.il.us/desenv/LettingSchedule.pdf>

**IDOT LETTING SCHEDULE
 2011 - 2013**


Transportation Bulletin	Pre-Qualification "Cut Off"	Joint Venture "Cut Off"	Bid Authorization "Cut Off"	Letting Day	DBE Utilization Plan (DBE 2015 and DBE 2020)
12/9/2011	12/30/2011	1/13/2012	1/17/2012	1/20/2012	Submit With Bid
12/20/2011	12/30/2011	1/13/2012	1/17/2012	1/20/2012	Submit With Bid
2/3/2012	2/17/2012	3/2/2012	3/6/2012	3/9/2012	Submit With Bid
3/23/2012	4/6/2012	4/20/2012	4/24/2012	4/27/2012	Submit With Bid
5/11/2012	5/25/2012	6/8/2012	6/12/2012	6/15/2012	Submit With Bid
6/29/2012	7/13/2012	7/27/2012	7/31/2012	8/3/2012	Submit With Bid
8/17/2012	8/31/2012	9/14/2012	9/18/2012	9/21/2012	Submit With Bid
10/5/2012	10/19/2012	11/2/2012	11/7/2012	11/9/2012	Submit With Bid
12/7/2012	12/28/2012	1/11/2013	1/15/2013	1/18/2013	Submit With Bid
2/1/2013	2/15/2013	3/1/2013	3/5/2013	3/8/2013	Submit With Bid
3/22/2013	4/5/2013	4/19/2013	4/23/2013	4/26/2013	Submit With Bid
5/10/2013	5/24/2013	6/7/2013	6/11/2013	6/14/2013	Submit With Bid



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Upcoming Workshops

- **District 2**
 - May 17, 2012 – Documentation and Surveying
 - June 14, 2012 – Patching – Asphalt & Concrete
 - July 19, 2012 – Force Account
 - August 16, 2012 – Concrete – Flat & Vertical
- **District 3**
 - May 3, 2012 – Trucking



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Questions???

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