

FDOT Macroeconomic Analysis Shows Transportation Projects Yield \$4 of Benefits for Every Dollar Invested

Investments provide short- and long-term benefits to transportation system users as well as the state's overall economy

The Florida Department of Transportation (FDOT) recently completed a [macroeconomic analysis](#) and found that Florida's transportation projects are expected to yield an average \$4 of benefits for every dollar invested. In addition, the analysis found the benefits included investments across all transportation modes, including highway, transit, rail, airports, seaports and waterways, and spaceports. The investments will provide short- and long-term benefits for transportation system users as well as Florida's overall economy.

"Investing in transportation is key as we plan for our state's future," said Florida Department of Transportation Secretary Kevin J. Thibault, P.E. "The department is proud to make vital investments in Florida's transportation system that will create essential jobs, provide long-term economic benefits, and keep Florida moving for decades to come."

In addition to the impressive economic benefits, it is estimated that planned transportation investments will result in an average of 30,000 additional jobs and generate more than \$160 billion in future economic benefits over the course of the next 30 years, including:

- Providing \$61 billion in economic value, measured as gross state product;
- Increasing personal income by \$72 billion; and
- Increasing industry output by \$99 billion.

The analysis considered the planned transportation investments for the five-year period from Fiscal Years 2019-23. In addition, potential impacts as a result of the pandemic were considered and transportation investments still yielded an average \$4 of benefits for every dollar spent.

FDOT's macroeconomic analysis, which is generally conducted twice per decade, estimates the effect of transportation investments on the state's economic competitiveness and compares the overall benefits and costs of FDOT's transportation investments.

Additional information regarding the department's macroeconomic analysis can be found [here](#).

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About The FDOT

The goal of the DBE Supportive Services Program is to increase the number of DBEs participating on FDOT contracts and facilitate the opportunity for DBEs to obtain contracts. The services are designed to:

- Assist established construction firms to move them from bidding as a subcontractor to bidding as a Prime Contractor to produce sound bids.
- Provide access to training increases DBE expertise in handling of daily business operations.



About The Program

The Construction Estimating Institute (CEI) works with FDOT as the statewide provider of the federally funded Disadvantaged Business Enterprises (DBE) Supportive Services Program. We want to increase the number of certified DBEs participating in highway and bridge construction, as well as assist DBEs in growing and eventually becoming self-sufficient. Additionally, CEI provides supportive services by assisting prime contractors and consultants with identifying DBEs for subcontracting opportunities on priority projects.

What Contractors Don't Know About Equipment Leases Could Cost Them a Fortune

In the age of the coronavirus, every business owner has learned how important it is to have the financial means to withstand a prolonged period of disruption. One of the ways companies tend to preserve cash is to lease equipment rather than buy it. In the construction industry, it's often more prudent to lease when the need for specialized equipment may be required for only a short period of time on a single job or the cost of ownership is out of reach. However, businesses need to be extremely diligent with the management of those leases or they can inadvertently cost themselves a fortune.

There are two common, and costly, mistakes that businesses make with equipment leases: poor oversight of lease expirations and lack of management of lease financing costs.

Lease Expirations

When and how a lease ends is just as important as when it commences. Too many companies don't pay attention to the fine print in these documents and penalties and charges can continue to add up—obliterating any of the cost savings the company had initially hoped to realize by leasing in the first place. There are a number of common mistakes companies make at lease end, including the following.

- **They don't have quick visibility to the expiration dates.** With surprising frequency, many companies continue to pay past the expiration of their lease

agreements, racking up months—or sometimes even years—of additional payments without realizing it.

- **They aren't aware of penalties.** Companies don't return equipment on time, or in the agreed upon condition, and incur significant penalties.
- **They pay premium fees on devalued equipment.** Lease payments are based on the value of the equipment being leased, and at the end of a lease the residual value of the equipment is only a fraction of its original value. Many companies make the mistake of extending their leases without adjusting the payments to account for this reduced value.
- **They don't track costs over time.** If businesses aren't evaluating the costs of a lease long-term, they may end up paying three or four times the value of the actual equipment.

Lease Financing Costs

Leasing is designed to allow businesses to rent equipment instead of buying it. However, that convenience comes at a price and each business must fully understand what that price is before entering into a lease agreement. There are a few pitfalls companies need to watch out for, including the following.

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Supportive Services Offered:

- Estimating Training
- Building Capacity
- Mobilization Financing
- Bonding Assistance
- Marketing Plan Development
- Creating a Business Plan
- Building a Website



Within the past 3 months,
CEI assisted DBEs
in obtaining

**\$6 MILLION
IN BONDING!!**

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CEI is an educational organization providing the highest quality construction training in the industry. Over 100,000 owners, estimators, project managers, field supervisors, office support staff, foremen, laborers, and key management personnel have attended courses that are offered nationwide. The courses provide students with construction skills training and the critical information needed to be effective within their companies and organizations.