

Road construction cost data – an initiative to break a research and policy dead lock


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What data is there available now?

- A few countries have comprehensive procurement databases (e.g. Italy) – not fit/insufficient for cross country/longitudinal comparisons.
- Partial small sample studies by individual bodies (most of them dated) for developed countries (e.g. Courts of Audit, a few empirical academics case studies (mainly from US on procurement type performance)).
- Dated (possibly to be revived) database for developing countries (WB/ROCKS)
- Insufficient data is seriously limiting any analysis/policy advice!



Why a road construction cost panel?

- Is my case close to other countries average or an outlier?
 - Is the deviation large enough to merit a detailed ex-post analysis (what lessons can be learned)?
 - How does the market respond to economic events (e.g. regional demand push) through time? Is it different in my country than in others?
 - How do different procurement approaches (e.g. is Design & Build actually preferred to Design-Bid-Build)?
 - ...
- => A foundation for pursuing additional analysis upgrades in the future and individual case studies if necessary!**
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What do we propose – the objective

The objective = create a construction cost database for motorway projects. It should:

1. define basic data quality requirements
2. start in mature, less complex environments (developed economies)
3. start with an initial stock of observations (e.g. a history of last 5 years) that already allow analysis
4. be periodically updated to track trends
5. strike a balance between number of explanatory variables and data collection requirements



How to do it?

1. A data collection concept needs to be developed (to meet the objective sub points below).
2. A network of contacts is required in the relevant motorway organizations to facilitate data collection
3. Statistics staff is necessary for managing collection and processing.
4. Capacity for executing high quality empirical and policy research based on the database is needed.

ITF is good on 3+4, but less so on 1+2. ITF's contact network is at the Ministry level. It would take a lot of time and effort to meet points 1+2. Partnering is better!



CEDR, AASHTO

- CEDR – Conference of European of Directors of Roads is an IO that connects 26 European national road authorities (NRA's).
- It has an established network and existing working groups, connecting road experts from NRA's (also on asset management/cost).
- Preliminary discussions with CEDR's SG Steve Phillips identified the proposal as a win – win for both organizations.
- AASHTO is the US equivalent and an equally interesting partner.



Which partner does what?

ITF	CEDR/AASHTO
Collect and Manage the data	Promote buy-in to the project among members
Include the trends in ITF statistical outlook	Provide experts to participate in the data collection concept workshop(s)
Execute empirical analysis of relevant policy issues, made possible by the existence of data	Liaison/assist between CEDR/AASHTO members and ITF to help resolve any questions
Offer case specific policy analysis to ITF/CEDR/AASHTO members, where invited	Review any empirical work ITF might produce based on the database

The database, the relevant section in ITF statistical outlook, and empirical work will be presented with both IO brands to symbolize the joint nature of the effort.