

FDOT Newsletter

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Volume 83



SUPPORTIVE SERVICES

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



Moving Florida Forward Infrastructure Initiative

On January 30, 2023, Governor DeSantis announced ***Moving Florida Forward***, a bold and historic infrastructure initiative. This proposed investment prioritizes \$7 billion towards the state's transportation infrastructure to directly and immediately address congestion relief and perpetual safety on roadways, support resiliency in existing and future projects, and maintain the Florida Department of Transportation (FDOT) as a national leader in transportation technology, all while supporting a robust and active supply chain.

This proposal is slated to invest \$7 billion to prioritize 20 critical infrastructure projects in the existing FDOT Five-Year Work Program. The proposed legislation combines \$4 billion of General Revenue Surplus with FDOT's ability to leverage innovative financing tools, contracting, and proposed policies for the resulting \$3 billion over four years.

As the state continues to experience rapid population and tourism growth, the *Moving Florida Forward* infrastructure initiative will focus on critical improvements to ensure that transportation infrastructure can meet the demands of current and future residents and visitors, including investments to major interstates and arterial roadways to ensure people and goods can move safely. As Florida's population is projected to grow by 600 people every day over the next 30 years – with some areas of the state currently experiencing more than 20 percent growth rates – the *Moving Florida Forward* proposal will help relieve congestion, enhance safety, facilitate trade, promote economic growth, and provide a more resilient transportation infrastructure. Resiliency is critical to the integrity of roadways and corridors, especially during severe weather events such as hurricanes.

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2023 Outlook on the Construction Industry and Liability Insurance

The U.S. construction industry is on a post-pandemic rally, with the sector spending \$1.7 trillion in October 2022—that's 9.2% better than October 2021. Furthermore, the entire insurance liability market is expanding significantly, projected to grow from \$252.3 billion in 2021 to an estimated \$432.8 billion in 2028, according to Allied Market Research.

With more government money and more building projects in play going into 2023, one area where the construction industry is finding firm footing is with liability insurance, albeit with some major risks in play.

"The introduction of new construction materials coupled with a renewed emphasis on modular building, artificial intelligence, 3D printing, and wearable and drone technologies is not only expected to ease existing cost burdens but also speed construction processes while completing projects on time and within budgets," says insurance analyst Jeff Slivka in a 2022 research report by RT Specialty Environmental & Construction Professional Liability Practice.

Another boost is expected to come from President Joe Biden's \$1.2 trillion infrastructure spending plan, which says it "will deliver \$550 billion of new federal investments in America's infrastructure over five years, touching everything from bridges and roads to the nation's broadband, water and energy systems."

There is downside risk for construction firms seeking the best terms on a liability insurance deal.

"Current optimism should also be tempered in at least the near term by the effects of an environment filled with greater governmental scrutiny and regulatory guidelines," Slivka says. "Contractors are also facing double-digit increases in insurance premiums experienced in many lines of business, tighter underwriting standards and new exclusions covering the scope of communicable disease exposures."

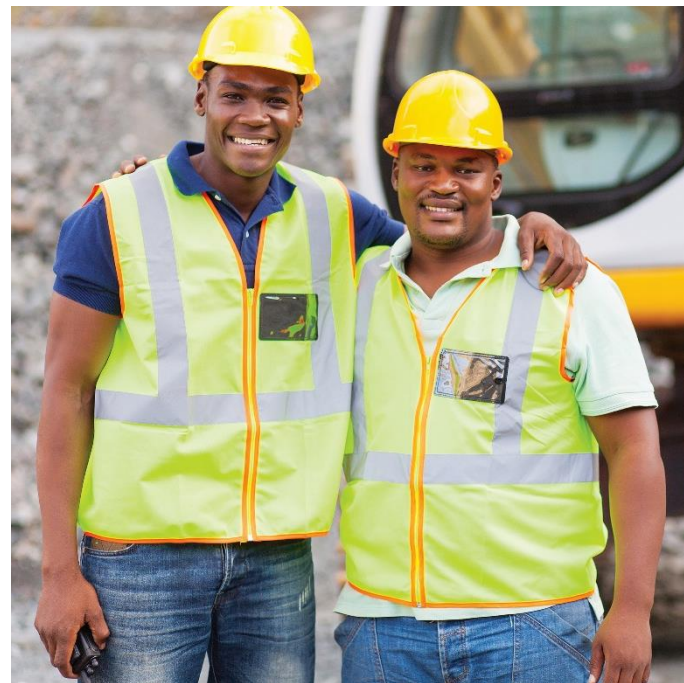
"Even though these factors are slightly less impactful on the contractors professional liability insurance products, they'll influence liability insurance deals nonetheless," Slivka says.

Price-wise, sector liability insurance premiums rose 18 quarters in a row through mid-2022, with costs rising by 6.6% in the first quarter of 2022. On the upside, more liability insurance firms have entered the marketplace in 2022, which seems to be moderating premiums heading into 2023 as insurance firms compete cost-wise with each other in an expanded market.

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.



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