



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

June 2, 2008

CIRCULAR LETTER 2008-08

SCHEDULE OF AVERAGE ANNUAL EQUIPMENT OWNERSHIP EXPENSE INDEX

COUNTY ENGINEERS/SUPERINTENDENTS OF HIGHWAYS
MUNICIPAL ENGINEERS/DIRECTORS OF PUBLIC WORKS/MAYORS
CONSULTING ENGINEERS

The Schedule of Average Annual Equipment Ownership Expense (SOAAEOE) booklet was last published by the Illinois Department of Transportation's (IDOT) Bureau of Construction on January 1, 2004. The department currently uses Equipment Watch's Rental Rate Blue Book (www.equipmentwatch.com) for all force account work according to [Construction Memorandum 07-09](#).

Local highway agencies may use rates from the SOAAEOE or the Rental Rate Blue Book for force account work on their projects or for equipment rental on motor fuel tax fund day labor work, on federal disaster reimbursements, or on intergovernmental agreements. The Bureau of Local Roads is applying an index to the SOAAEOE in order to account for the significant increase in construction costs since the issued date. The index is based on the American Road and Transportation Builders Association's (ARTBA) Highway Construction Producer Prices Construction Machinery and Equipment Manufacturing category published in February 2008. Local agencies should calculate the rental rate according to the schedule in the SOAAEOE and then multiple by the index factor.

For 2008, an index factor of 1.162 should be used. In 2009, index factors will be posted on the IDOT's website along with the SOAAEOE. The index factor will be effective for the entire year.

If you have any questions regarding this Circular Letter, please contact Mr. Kevin Burke in the Bureau of Local Roads and Streets at (217) 785-5048 or kevin.burkeiii@illinois.gov.

Sincerely,

A handwritten signature in cursive script that reads "Charles J. Ingersoll".

Charles J. Ingersoll, P.E.
Engineer of Local Roads and Streets

Attachment

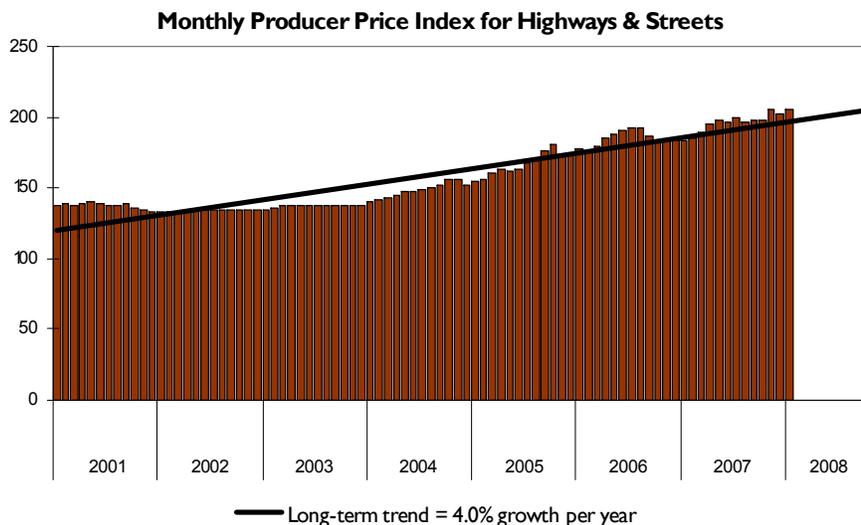


Prepared by ARTBA: The Leading Source of U.S. Transportation Construction Market Research

Increase In January Highway & Street Material Prices

The cost of highway and street construction materials was up 11.8 percent in January 2008 compared to the same month last year. During the same time period inflation, as measured by the consumer price index, was 4.3 percent. Over the last five years, between 2002 and 2007, the price of highway and street construction materials rose 46 percent.

Highway & Bridge Construction Input Prices - Price Change From Same Month in Preceding Year						
	Jan 07 to Jan 08	Dec 06 to Dec 07	Nov 06 to Nov 07	Jan 06 to Jan 07	Jan 05 to Jan 06	Jan 04 to Jan 05
Highway & Street Construction	11.8%	9.6%	11.8%	3.2%	15.0%	9.8%
Asphalt Paving & Block Mfg	4.0%	1.9%	2.2%	23.0%	14.4%	6.0%
Cement	2.6%	10.5%	11.0%	15.1%	11.2%	-1.0%
Concrete Block & Brick	2.5%	6.8%	7.2%	8.3%	7.2%	2.9%
Construction Machinery & Equipment Mfg	1.9%	2.2%	2.3%	3.7%	4.9%	4.8%
Construction Sand, Gravel & Crushed Stone	6.1%	9.3%	9.5%	8.4%	5.9%	3.0%
Iron & Steel Scrap	41.6%	2.9%	-1.2%	-11.1%	24.8%	73.8%
Ready Mix Concrete	1.8%	10.1%	9.7%	13.3%	11.0%	2.4%
Inflation/Consumer Price Index	4.3%	4.1%	4.3%	2.1%	4.0%	3.0%
General Construction Inputs	5.5%	4.5%	5.4%	3.0%	8.4%	9.5%



Source: Bureau of Labor Statistics