

Procurement and Infrastructure Costs



Leah Brooks • George Washington University • July 2024

Fundamental Conundrum: US Infrastructure Hideously Expensive

For the same spending on subways we get

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in Manhattan

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Why?

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Why? And what policy changes can lower costs?

Thanks to Marron's Transit Cost project and CityLab

Toward This Goal

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A lot to like: serious consideration of institutions, both in measurement and analysis

Three Questions in Response

1. What can we learn from cross-state variation in re-paving?
2. How do we implement—or, where is the scope for change?
3. What is capacity, and what is “enough”?

1. Relying on Cross-State Variation in Repaving

Benefits

- abstracts from complaining neighbors and “citizen voice”
- holds legal system constant
- holds many contracting features constant
- plausibly comparable good

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Can't Learn

- whether bidding format matters
- whether legal regime matters
- repaving a high cost activity

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- extent of variation within strict rules
- relationship between spending and road quality
- quality of **implementation**: ability to execute within fixed rules

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- are quality implementors hard to identify?
- are good managers hard to find?
- is political attention required and limited?
- goals other than cost and quality?
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 - in initial good design?
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Where is the scope for change? Build on management and politics work on implementation

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- Consider
 - employees per roughness
 - FTEs per consultant

Thank you for re-paving the way to efficiency!