

## University of Minnesota - Twin Cities

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### *Placement Director*

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## Curriculum Vitae Fall 2008

## DANIEL P. MILLER

### Personal Data

#### *Home Address*

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### Major Fields of Concentration

Empirical Industrial Organization, Applied Econometrics, Organizational Economics

### Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
Ph.D	Economics	University of Minnesota (expected)	2009
M.A.	Economics	University of Minnesota	2008
B.A.	Economics (Honors)	Stanford University	2003

### Dissertation

Title: "Subcontracting and Competitive Bidding on Incomplete Procurement Contracts"

Dissertation Advisor: Professor Patrick Bajari

Expected Completion: Summer 2009

### References

Professor Patrick Bajari	(612) 625-8369 bajari@umn.edu	Department of Economics University of Minnesota 4-101 Hanson Hall
Professor Amil Petrin	(612) 625-0145 petrin@umn.edu	1925 Fourth Street South Minneapolis, MN 55455
Professor Kyoo il Kim	(612) 625-6793 kyookim@umn.edu	

## Honors and Awards

- 2008 - 2009 Graduate School Dissertation Fellowship, University of Minnesota, Minneapolis, Minnesota.  
2008 Graduate School Summer Research Fellowship, University of Minnesota, Minneapolis, Minnesota.

## Teaching Experience

- 2007 - 2008, *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections graduate-level Econometrics sequence.  
2004 - 2006 *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *Principles of Microeconomics* and *Principles of Macroeconomics (Honors)*.  
2003 - 2004 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Principles of Macroeconomics*.

## Research Experience

- 2006 - 2008 *Research Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Research Assistant to Professor Patrick Bajari.  
2002 *Research Assistant*, Department of Economics, Stanford University, Stanford, California. Research Assistant to Professor Patrick Bajari.

## Professional Experience

- Summer 1999 Equities Research Intern, A. G. Edwards & Sons, St. Louis, Missouri.  
Summer 2000

## Professional Activities

Referee for *International Journal of Industrial Organization*

## Papers

“A Dynamic Structural Model of Housing Demand: Estimation and Policy Implications,” with Patrick Bajari, Phoebe Chan, and Dirk Krueger.

## Computer Skills

Matlab, Stata

## Dissertation Abstract

“Subcontracting and Competitive Bidding on Incomplete Procurement Contracts”

This paper investigates the cost implications of contractual incompleteness and its effect on subcontracting decisions in the bridge construction industry. Construction contracts are incomplete because the original blueprints and specifications may require modifications during construction. According to the transactions cost theory of the firm—Coase (1937), Williamson (1985)—such contract revisions can lead to significant bargaining and

renegotiation costs. Furthermore, theory predicts these costs are larger if-- a subcontractor performs the work. Forward looking contractors anticipate these costs and incorporate them in their bids. I develop an empirical framework to quantify the impact of incompleteness on cost for both integrated and non-integrated transactions and apply it to 32 bridge contracts procured by the California Department of Transportation. Contracts contain many work items (e.g. casting concrete, drilling, traffic striping). For each item, contractors decide whether to perform work themselves or hire a subcontractor and submit a bid. The difference between the work item quantity in the original contract and the quantity actually installed after revisions proxies for incompleteness. In estimation, I account for the strategic aspects of bidding to recover cost from bids and exploit the panel data structure to account for the endogeneity of subcontracting decisions. On average, incompleteness explains a small portion of cost, 2%, for integrated transactions and a large portion, 13%, for non-integrated transactions. The results provide quantitative evidence in support of incomplete contracting theories of the firm and have practical significance for evaluating procurement practices.