



MEMORANDUM

Date: March 12, 2013

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Six-month Analysis of County Construction Contracting**

Attached is a March 6, 2013 report from Special Staff Assistant Lisa Matthews regarding construction contracting for the most recent six-month period. The report is self-explanatory.

The County continues to make capital improvements for public benefits, providing significant continuation of construction-related employment. In analyzing pricing over this period, it appears there is some convergence between the difference in architect/engineer estimates and actual construction contracting awards. Such is expected during improved economic conditions, where private sector construction begins to increase, driving pricing higher.

It is likely this trend will continue, and a time will come when public sector construction will not receive the same financial benefits it has for the last several years. At that time, our construction activity should moderate, allowing private sector construction to dominate during times of economic expansion.

CHH/dph

Attachment



MEMORANDUM

Public Works Administration



DATE: March 6, 2013

TO: C. H. Huckelberry
County Administrator

FROM: Lisa S. Matthews *Lisa Matthews*
Special Staff Assistant

THRU: Nanette M. Slusser *NS*
Assistant County Administrator for Policy

RE: Semi-Annual Bid Tabulations, Awards, Economic Impacts—July 1, 2012–December 31, 2012

This memorandum provides a semi-annual update on the standard construction and construction-related project bid (design-build, design-bid-build) results between July 1, 2012 and December 31, 2012. Other construction contract awards—emergency procurement, alternative delivery methods, amendments, and change orders—are summarized on page 2 of this update. The last portion of this update summarizes the economic impact of all construction contract awards since 2006.

Standard Construction Bids Awards

July 1, 2012 – December 31, 2012

During the last six months of 2012, eight construction or construction-related bids totaling over \$22.0 million were awarded to private contractors: \$19.9 million for two projects greater than \$1.0 million and \$2.7 million for six projects less than \$1.0 million. These bids averaged 82 percent of the engineers' estimates this period; no bids exceeded the project estimates this period. The attached charts and spreadsheets show the list of projects and amounts awarded. The charts with blue font numbers in parenthesis indicate the number of bidders for each project.

Other Construction Contract Awards

In addition to the 8 awarded bids in the last half of 2012, a total of 17 construction contract amendments, change orders, and Job Order Contracting (JOC) Master Agreements were awarded, totaling \$46.9 million in the same period, as shown in Tables I and II. The estimated 510 jobs created from these projects are included in Table V, *Economic Impact* section of this memorandum.

Table I: 2012 Contracts, Amendments and Change Orders Awards

Dept	Project	Annual Award Total	No. of Jobs
RWRD	Modern Streetcar Project sewer rehabilitation (Emergency Award)	\$ 500,000	5
DOT	Countywide Chip Seal Project	\$ 2,572,886	28
RWRD	CMAR for Ina Rd WPCF Capacity and Effluent Quality Upgrade, amendment	\$ 7,770,000	84
RWRD	Santa Cruz Interceptor-Phase 3, Franklin St. to Prince Rd, amendment	\$ 78,500	0.85
FMD	Tenant improvements for Project ARCH-Abrams Building Level 4	\$ 350,000	4
DOT	City of South Tucson Neighborhood Streets Chip Seal, change order	\$ 356,904	4
FMD	Pima County Superior Court 7th and 8th Floor Remodel, change order	\$ 95,665	1
FMD	CMAR for the Joint Court Complex, contract amendment	\$ 512,676	6
TOTAL (8 projects)		\$ 12,236,631	133

Table II: 2012 JOC Master Agreement Awards

Dept	Project	Annual Award Total	No. of Jobs
RWRD	Wastewater Conveyance System and related facilities maintenance, repair, rehab, and construction services	\$ 4,000,000	43
FMD	Fencing Services	\$ 300,000	3
FMD	Historic Preservation Services at various locations	\$ 3,000,000	33
DOT	Paving Services	\$ 1,000,000	11
RFCD	Flood Control and Drainage Improvements	\$ 3,000,000	33
DOT/RFCD	Traffic signal, road intersection paving, and drainage improvements	\$ 7,000,000	76
NRPR	As-needed well installation, development and repair services at various locations	\$ 390,000	4
RWRD	Wastewater conveyance and related facilities management, repair, rehabilitation and construction services, amendment	\$ 1,000,000	11
RWRD	Wastewater conveyance and related facilities management, repair, rehabilitation and construction services	\$ 15,000,000	163
TOTAL (9 projects)		\$ 34,690,000	377

The 8 bid awards totaling \$22.0 million combined with the 17 other construction contract awards (Tables I & II) totaling \$46.9 million resulted in 25 construction contract awards totaling \$68.9 million in the last six months of 2012.

Bid Comparisons, 2011 vs. 2012

In 2011, Pima County awarded 21 construction bid awards totaling \$79.5 million, averaging 81 percent of the engineers' estimate. In 2012, eighteen (18) construction bids totaling \$58.4 million were awarded, averaging 87 percent of the engineers' estimate. Table III compares the 2011 and 2012 standard construction or construction-related bids results. These projects do not include the alternative delivery methods, amendments, or change orders discussed in the *Economic Impact* section on page 3.

Table III: Standard Bid Results Compared Annually

Six-Month Period	No. of Projects	Amount Awarded (millions)	No. of Bidders	Average Bid Percent of Engineers' Estimate*
Jan 1- Jun 30, 2011	10	\$40.5	65	80%
Jul 1- Dec 31, 2011	11	\$39.0	63	82%
2011 TOTAL	21	\$79.5	128 (64 average)	81%
Jan 1- Jun 30, 2012	10	\$36.4	63	85%
Jul 1- Dec 31, 2012	8	\$22.0	63	89%
2012 TOTAL	18	\$58.4	126 (63 average)	87%

Although there were fewer standard construction bids awarded in 2012 than the previous year, the dollar amounts awarded for JOC Master Agreements significantly increased (nearly tripled) in dollars and potential jobs in 2012 compared to 2011, as shown in Table IV.

Table IV: New JOC Master Agreements Comparison – 2011 and 2012

Six-Month Period	New JOC Award Amounts	Number of Jobs
Jan 1- Jun 30, 2011	\$ 8,903,328	97
Jul 1- Dec 31, 2011	\$ 8,900,000	97
2011 TOTAL	\$17,803,328	194
Jan 1- Jun 30, 2012	\$17,500,000	190
Jul 1- Dec 31, 2012	\$34,690,000	377
2012 TOTAL	\$52,190,000	567

Economic Impact

The \$58.4 million (Table III) for 18 standard construction bids awarded in 2012 resulted in an estimated 635 construction or construction-related jobs, using the American Recovery and Reinvestment Act (ARRA) of 2009 formula of “\$92,000 in construction expenditures equals one man-year.” The first six months of 2012 (\$36.4 million) resulted in 396 jobs created; second half (\$22.0 million) totaled 239 jobs created. In 2011, there was an estimated 864 jobs from standard construction bids, totaling 156 more than in 2012.

The combined total of all construction contract awards in 2012 is approximately \$122.8 million (\$53.9 million first half plus \$68.9 million second half), totaling an estimated 1,335 jobs.

Table V: 2012 Construction Contracts Awards (bids, JOCs, emergency, amendments, change orders)

Period	Awards (Millions)	No. of Jobs
January 1 - June 30, 2012 Bids	\$ 36.4	396
January 1 - June 30, 2012 JOCs	\$ 17.5	190
Subtotal	\$ 53.9	586
July 1- December 31, 2012 Bids	\$ 22.0	239
July 1- December 31, 2012 JOCs, Other Awards	\$ 46.9	510
Subtotal	\$ 68.9	749
TOTAL	\$122.8	1,335

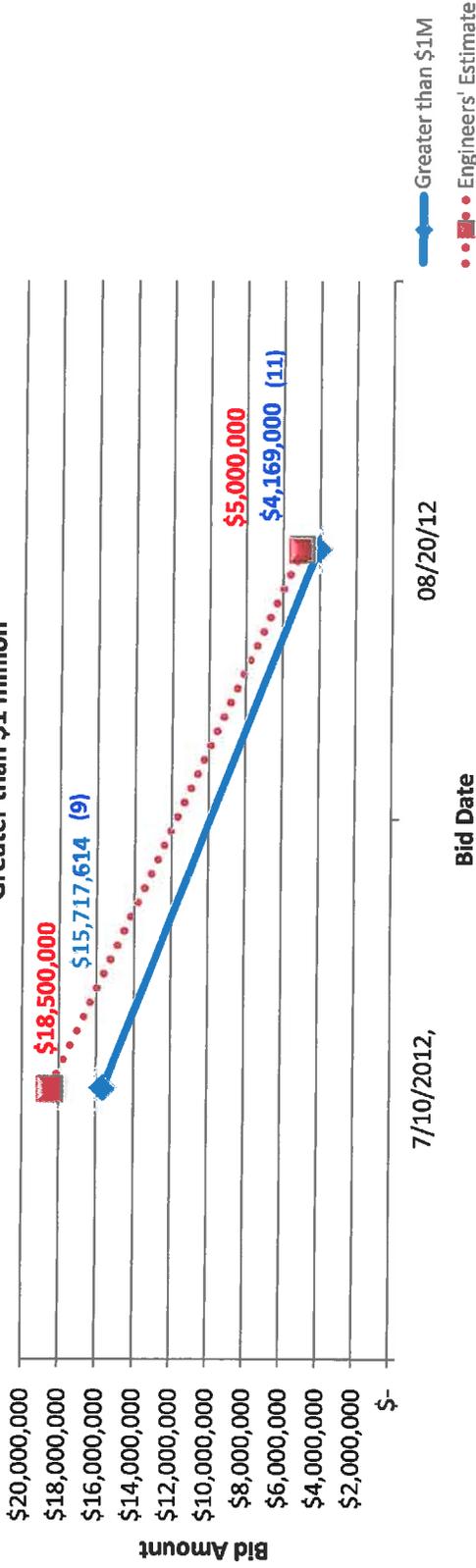
Since this analysis began in 2006, there were 202 awarded construction projects totaling more than \$1 billion invested in Pima County’s capital improvement infrastructure, creating approximately 14,000 jobs in the region.

Attachments

- c: John M. Bernal, Deputy County Administrator, Public Works
 Nancy Cole, Program Manager, Project Management Office
 George Widugiris, Director, Procurement Department
 John Carter, Design and Construction Division Manager, Procurement Department

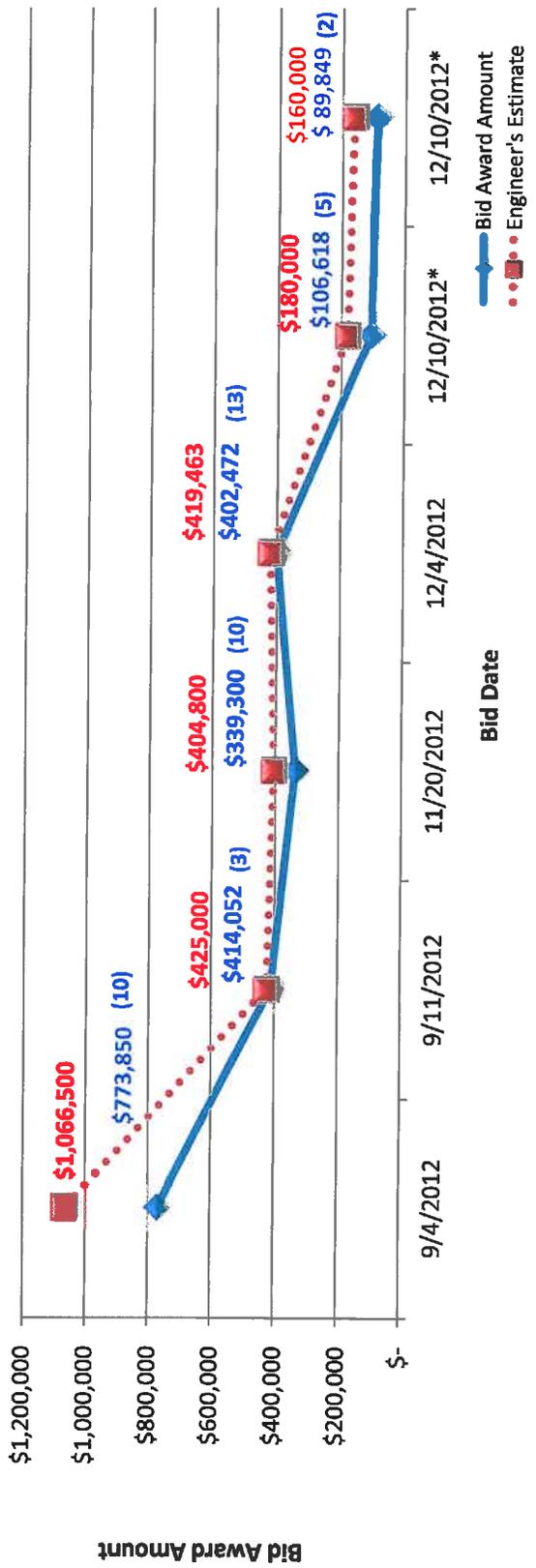
Engineers' Estimate vs. Bid Award

Construction Projects
Greater than \$1 million



Engineers' Estimate vs. Bid Award

Construction Projects
Less than \$1 million



**Standard Construction Projects Less Than \$1 Million
July 1, 2012 through December 31, 2012**

Dept	BOS Approval Date	Solicitation/IFB No.	Projects	No. of Bidders	Engineer's Estimate	Bid Award Amount	Bid % of Engineer's Estimate	No. of Jobs
FMD = Facilities Management • RWRD = Wastewater Reclamation								
FMD	9/4/2012	56645	Pima County Eckstrom-Columbus Library Expansion	10	\$ 1,066,500	\$ 773,850	73%	8
FMD	9/11/2012	54065	Adaptive Reuse of Historic Ajo Train Depot Transportation Enhancement Project, Ajo, AZ	3	\$ 425,000	\$ 414,052	97%	5
FMD	11/20/2012	66922	Pima County Mission Road Complex Building 24 Remodel	10	\$ 404,800	\$ 339,300	84%	4
FMD	12/4/2012	70524	Pima County Kino Pool Renovations	13	\$ 419,463	\$ 402,472	96%	4
RWRD	12/10/2012*	67920	Cured-in-Place Pipe and Cured-in-place sectional liners for Speedway at Country Club	5	\$ 180,000	\$ 106,618	59%	1
RWRD	12/10/2012*	67923	Cured-in-Place Pipe and Cured-in-place sectional liners for Grant Road at Ridgeway Road Area, Plan 3GRR12	2	\$ 160,000	\$ 89,849	56%	1
TOTAL				43	\$ 2,655,763	\$ 2,126,141	80%	23

*Approved by the Procurement Director

Construction Projects Greater Than \$1 Million

July 1, 2012 through December 31, 2012

Dept	BOS Award Date	IFB No.	Projects	No. of Bidders	Engineers' Estimate	Bid Award Amount	Bid % of Engineers' Estimate	No. of Jobs
DOT = Department of Transportation - FMD = Facilities Management Department								
DOT	7/10/2012,	44126	La Cholla Boulevard: Magee Road to Overton Road (4RTLTM)	9	\$ 18,500,000	\$ 15,717,614	85%	171
FMD	08/20/12	51192	Southern Arizona Indoor Sports Center at Curtis Park	11	\$ 5,000,000	\$ 4,169,000	83%	45
TOTAL				20	\$ 23,500,000	\$ 19,886,614	85%	216