



MEMORANDUM

Date: January 27, 2015

To: The Honorable Chair 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: **2014 Construction Bids and Awards**

Attached is a staff report that identifies the full and last half of Calendar Year 2014 construction bids and awards, estimated versus budgeted. As you can see, the volume of construction contracts, both in number and value, are declining due to completion of the 2004 and 2006 bond programs.

The performance of bid awards versus project estimates continues to be relatively constant. The bid award is approximately 10 percent less than the project estimate for projects greater than \$1 million and approximately 20 percent less than the project estimate for projects less than \$1 million.

Overall results indicate that we will continue to approach unity, where the bid award will equal the project estimate. This is typical in a recovering recession economy where actual costs begin to approach architects' or engineers' estimates as unit prices are adjusted to more accurately reflect the current environment.

Please contact me if you have any questions regarding the attached report.

CHH/anc

Attachment

c: John Bernal, Deputy County Administrator for Public Works
Nanette Slusser, Assistant County Administrator for Public Works Policy
Lisa Matthews, Special Staff Assistant, Public Works



MEMORANDUM

Public Works Administration

TO: C. H. Huckelberry
County Administrator

DATE: January 14, 2015

FROM: Lisa Matthews *Lisa Matthews*
Special Staff Assistant

THRU: Nanette M. Slusser *Nanette M. Slusser*
Assistant County Administrator

RE: 2014 Construction Bids and Awards

This memorandum is a semi-annual update on standard construction bids and other construction contract awards from July 1, 2014 to December 31, 2014, the last six months of Calendar Year (CY) 2014. Additional award information during the 12 months of 2014 is also included in this update. Standard bid awards include design-build, design-bid-build, design-build-operate projects, alternative delivery methods—Job Order Contracting (JOC) and Construction Manager at Risk (CMAR)—and contract amendments. This update excludes non-construction contracts and intergovernmental agreements.

Bids continue to be awarded below project estimates. The following information and attached spreadsheets provide details on these awards. The final section of this update summarizes the economic impacts of Pima County's construction contract awards since 2006.

Standard Construction Bid Awards

Bid Awards, July 1-December 31, 2014 (last 6 months, CY 2014)

The six construction bids awarded this period totaled more than \$19.2 million:

- 5 projects greater than \$1 million, totaled \$18,915,718, about 91 percent of project estimates
- 1 project less than \$1 million, totaled \$298,608, nearly 100 percent of the project estimate

The 35 bid responses received for these 6 projects averaged about 6 bidders per project. For project details, see the attached spreadsheet—*Pima County Construction Bid Awards, July 1, 2014 to December 31, 2014*.

Bid Awards, January 1, 2014-December 31, 2014 (12 months, CY 2014)

In 2014, the 12 awarded construction bids totaling more \$27.9 million averaged 90 percent of the \$31 million in project estimates; awards averaged 10 percent less than estimates.

- \$26.8 million awarded to 8 projects greater than \$1 million averaged 90 percent of project estimates; more than \$2.8 million (10%) less than the estimates.
- \$ 1.1 million awarded to 4 projects less than \$1 million averaged 81 percent of project estimates; awards are about \$260,000 (19%) less than estimates.

The 90 bid responses received for these 12 projects averaged 8 bidders per project. See the attached projects list—Pima County *Construction Bid Awards, Calendar Year 2014*.

Bid Awards v. Project Estimates Trend (Calendar Years 2006 through 2014)

In 2014, the 12 bid awards—both greater and less than \$1 million—totaled 90 percent of project estimates. This percentage remains about 15 percent below pre-recession averages in 2006, the year before the economy peaked.

The following two tables show the percentages of awarded bid amounts to project estimates. Overall, awards for projects greater than \$1 million continue to be about 10 percent less than (90% of) the estimates. Awards under \$1 million are about 19 percent less than estimates.

Table 1: Average percent of bid awards versus estimates—projects greater than \$1 M

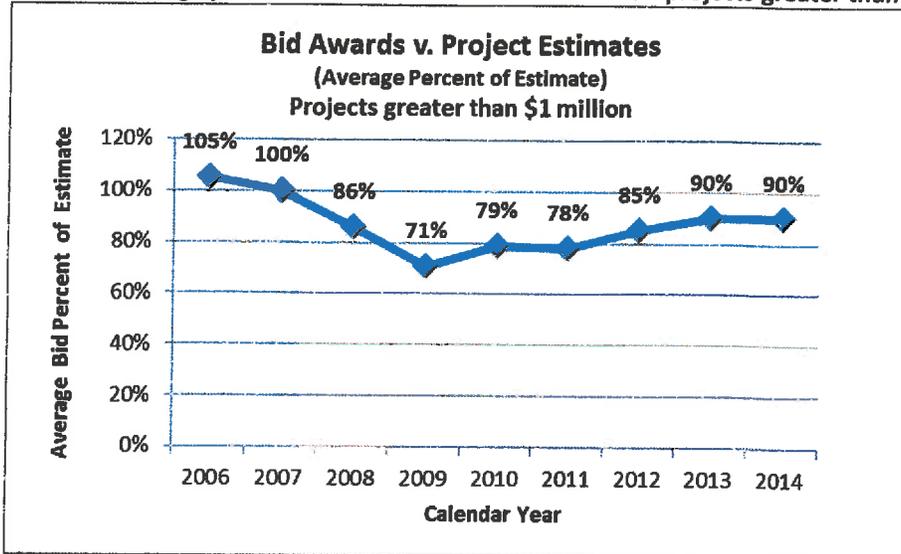


Table 2: Average percent of bid awards versus estimates—projects less than \$1 M

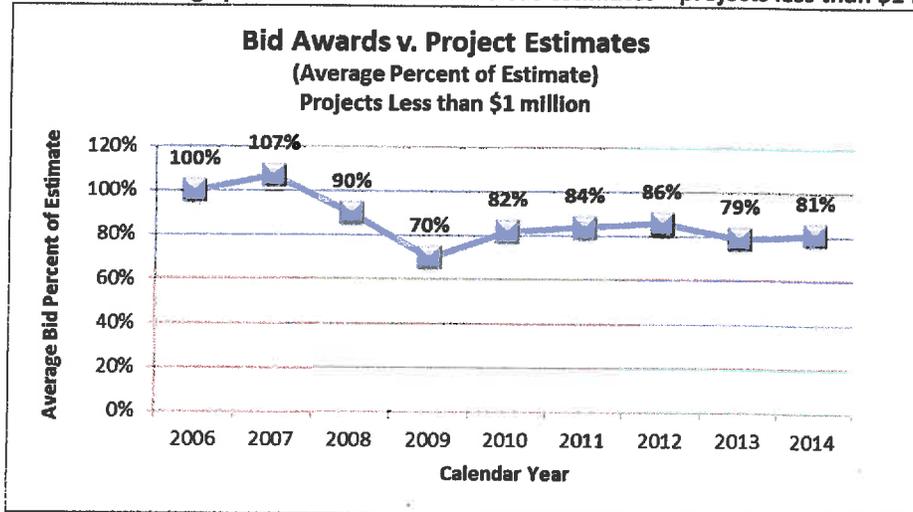
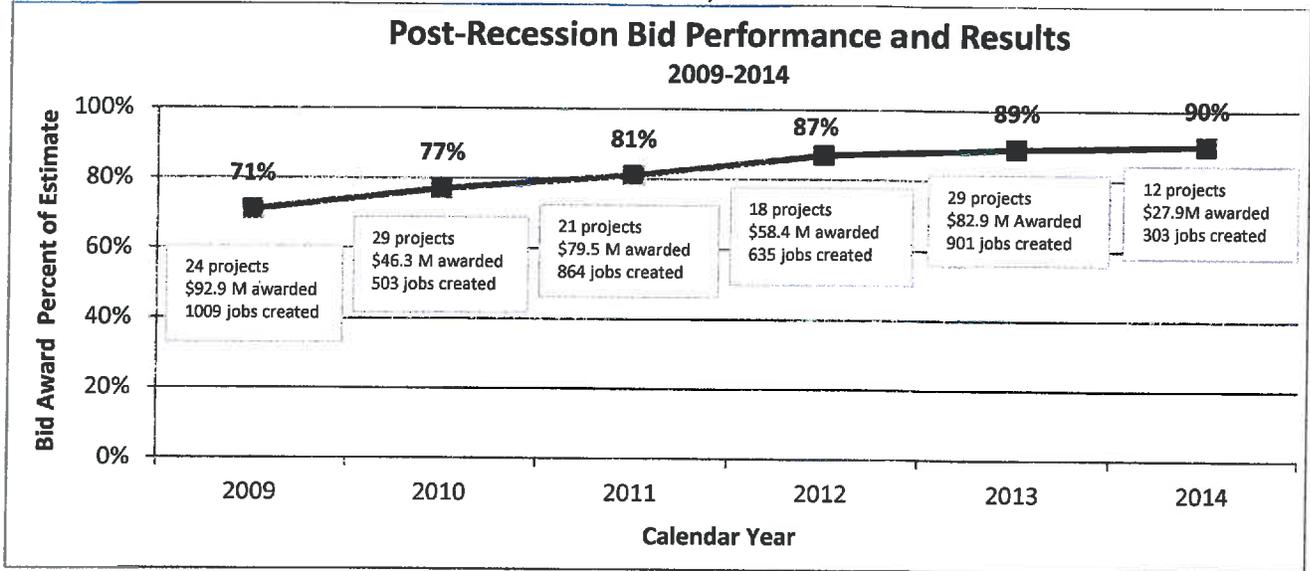


Table 3 shows Pima County’s bid performance since the U.S. economic recovery began in 2009. In 2014, project awards totaled more than \$27.9 million, about 10 percent less than estimates, creating 303 jobs. Contractors continue to bid steadily closer to project estimates.

Table 3: Post-recession activities of all construction bid awards, 2009-2014



Other Construction Contract Awards

July 1, 2014 – December 31, 2014 (last 6 months, CY 2014)

In addition to the 6 awarded construction bids, another 7 construction contracts were awarded, totaling nearly \$18.6 million in the last half of CY 2014. These awards include alternative delivery methods—CMAR and JOC Master Agreements—amendments, and change orders. See the attached list—*Other Construction Contract Awards, Calendar Year 2014, Table 1.*

January 1 – December 31, 2014 (12 months, CY 2014)

In 2014, a total of 16 other construction contract awards totaled more than \$81.7 million. See attached list—*Other Construction Contract Awards Calendar Year 2014, Tables 1-2 and Economic Impact.* The \$81.7 million is in addition to the \$27.9 million in standard bids awarded in the same 12 months.

Economic Impacts

In 2014, the 12 awarded bids totaling \$27.9 million created an estimated 303 private-sector jobs. The 16 other construction contracts awarded in the same period totaled \$81.7 million, creating an estimated 888 jobs. Combining all 28 construction contract awards (12 bids and 16 other contracts) totaled more than \$109.6 million, creating an estimated 1,191 jobs in CY 2014. The jobs estimation comes from the American Recovery and Reinvestment Act (ARRA) of 2009 formula of “\$92,000 of government spending creates 1 job-year,” a direct job creation of one job for one year.

Since this analysis began in 2006, approximately 280 awarded construction projects totaled more than \$1.58 billion invested in Pima County's capital infrastructure, creating approximately 17,125 jobs in the region.

Attachments (4)

- c: John M. Bernal, Deputy County Administrator, Public Works
 Priscilla Cornelio, Director, Transportation
 Suzanne Shields, Director, Regional Flood Control District
 Jackson Jenkins, Director, Regional Wastewater Reclamation
 Linda Mayro, Director, Office of Sustainability and Conservation
 Ursula Nelson, Director, Environmental Quality
 Chris Cawein, Director, Natural Resources, Parks and Recreation
 Michael Kirk, Director, Facilities Management
 George Widugiris, Director, Procurement
 John Carter, Design and Construction Division Manager, Procurement
 CIP Advisory Council
 John Spiker (Facilitator), Regional Flood Control District
 Nancy Cole, Project Management Office
 Joanne Homer, Project Management Office
 Sandi Garrick, Project Management Office
 Neil Konigsberg, Real Property Services
 Rex Dutcher, Real Property Services
 Karla Reeve Wise, Environmental Quality
 Roger Anyon, Office of Sustainability and Conservation
 Greg Hagen, Natural Resources, Parks and Recreation
 Ana Olivares, Transportation
 Sal Caccavale, Transportation
 Rick Ellis, Transportation
 Kathryn Skinner, Transportation
 Bill Zimmerman, Regional Flood Control District
 Larry Robison, Regional Flood Control District
 John Warner, Regional Wastewater Reclamation
 Adam Bliven, Regional Wastewater Reclamation
 Merva Douglas Bridges, Regional Wastewater Reclamation
 Greg Hitt, Regional Wastewater Reclamation
 Jaime Rivera, Regional Wastewater Reclamation
 Don Willhoit, Regional Wastewater Reclamation
 John Duke, Facilities Management

Pima County Construction Bid Awards, July 1, 2014 to December 31, 2014

Projects greater than \$1 Million

| Dept | Approval Date | Project | No. of Bidders | Engineer's Estimate | Bid Award Amount | Difference (Above/Below Estimate) | Bid % of Engineer's Estimate | No. of Jobs |
|---|---------------|--|----------------|----------------------|----------------------|-----------------------------------|------------------------------|-------------|
| DOT=Transportation - PWA=Public Works Administration (PMO Office) - RWRD=Regional Wastewater Reclamation | | | | | | | | |
| PWA | 8/18/2014 | Pantano Wash underpass at Broadway Boulevard and Linear Pathway from Broadway Boulevard to Kenyon Drive Construction Project, PPBDWAY (CT-15*54) | 4 | \$ 1,037,651 | \$ 989,046 | \$ 48,605 | 95% | 11 |
| RWRD | 9/16/2014 | North Rillito Interceptor Relief Sewer Construction Project, 3NRR02 (CT-15*82) | 10 | \$ 4,140,000 | \$ 2,410,440 | \$ 1,729,560 | 58% | 26 |
| DOT | 9/16/2014 | Camino Verde: Brightwater Way to Valencia Road Construction Project, 4CVBWV (CT-15*116) | 8 | \$ 1,090,741 | \$ 969,859 | \$ 120,882 | 89% | 11 |
| RWRD | 10/21/2014 | Conveyance SCADA Upgrade Construction Project, 3CSU04 (CT-15*215) | 4 | \$ 1,600,000 | \$ 1,457,848 | \$ 142,152 | 91% | 16 |
| DOT | 11/18/2014 | Valencia Road: Wade Road to Mark Road Construction Project (CT-15*219) | 7 | \$ 12,938,648 | \$ 13,088,525 | \$ (149,877) | 101% | 142 |
| TOTAL (5 projects) | | | 33 | \$ 20,807,040 | \$ 18,915,718 | \$ 1,891,322 | 91% | 206 |
| AVERAGE | | | 7 | | | | | 41 |

Projects less than \$1 Million

| Dept | Approval Date | Project | No. of Bidders | Engineer's Estimate | Bid Award Amount | Difference (Above/Below Estimate) | Bid % of Engineer's Estimate | No. of Jobs |
|------------------------------------|---------------|---|----------------|---------------------|-------------------|-----------------------------------|------------------------------|-------------|
| RWRD=Wastewater Reclamation | | | | | | | | |
| RWRD | 9/16/2014 | Sub-Regional Facility (SRF) Security Improvement Project, 3SRF13 (CT-15*78) | 2 | \$ 300,000 | \$ 298,608 | \$ 1,392 | 99.5% | 3 |
| TOTAL (1 project) | | | 2 | \$ 300,000 | \$ 298,608 | \$ 1,392 | 99.5% | 3 |
| AVERAGE | | | 2 | | | | | 3 |

TOTAL OF ALL BIDS (6 projects)

35 \$ 21,107,040 \$ 19,214,326 \$ 1,892,714 91%

Pima County Construction Bid Awards

Calendar Year 2014

| Dept | Approval Date | Project | No. of Bidders | Engineer's Estimate | Bid Award Amount | Difference (Above/Below Estimate) | Bid % of Engineer's Estimate | No. of Jobs |
|--|---------------|--|----------------|----------------------|----------------------|-----------------------------------|------------------------------|-------------|
| DOT=Transportation • FMD=Facilities Management • PWA=Public Works Admin • RFCD=Regional Flood Control District • RWRD=Regional Wastewater Reclamation | | | | | | | | |
| FMD | 1/7/2014 | Pima County Administration East Fourth Floor Tenant Improvements | 10 | \$ 548,279 | \$ 494,100 | \$ 54,179 | 90% | 5 |
| RWRD | 1/7/2014 | Pantano Interceptor: Harrison Road, Millmar to Escalante Project No. 3HME02 | 11 | \$ 1,351,320 | \$ 2,046,998 | \$ (695,678) | 151% | 22 |
| DOT | 2/18/2014 | Countywide Overlay South Project | 7 | \$ 2,044,250 | \$ 1,654,944 | \$ 389,306 | 81% | 18 |
| DOT | 3/11/2014 | Construction of the Centennial Elementary, Flowing Wells Jr. High Safe Routes to School Transportation Enhancement Project | 8 | \$ 474,529 | \$ 302,439 | \$ 172,090 | 64% | 3 |
| RWRD | 4/1/2014 | Pima County Regional Wastewater Reclamation Department Laboratory Addition | 8 | \$ 5,437,600 | \$ 4,155,366 | \$ 1,282,234 | 76% | 45 |
| RFCD | 5/1/2014 | Demolition of 9360 N. La Cholla Blvd | 11 | \$ 67,942 | \$ 37,092 | \$ 30,850 | 55% | 0.4 |
| PWA | 8/18/2014 | Pantano Wash underpass at Broadway Boulevard and Linear Pathway from Broadway Boulevard to Kenyon Drive Construction Project, PPBDWAY (CT-15*54) | 4 | \$ 1,037,651 | \$ 989,046 | \$ 48,605 | 95% | 10.8 |
| RWRD | 9/16/2014 | North Rillito Interceptor Relief Sewer Construction Project, 3NRR02 (CT-15*82) | 10 | \$ 4,140,000 | \$ 2,410,440 | \$ 1,729,560 | 58% | 26.2 |
| RWRD | 9/16/2014 | Sub-Regional Facility (SRF) Security Improvement Project, 3SRF13 (CT-15*78) | 2 | \$ 300,000 | \$ 298,608 | \$ 1,392 | 99.5% | 3 |
| DOT | 9/16/2014 | Camino Verde: Brightwater Way to Valencia Road Construction Project, 4CVBWV (CT-15*116) | 8 | \$ 1,090,741 | \$ 969,859 | \$ 120,882 | 89% | 10.5 |
| RWRD | 10/21/2014 | Conveyance SCADA Upgrade Construction Project, 3CSU04 (CT-15*215) | 4 | \$ 1,600,000 | \$ 1,457,848 | \$ 142,152 | 91% | 15.8 |
| DOT | 11/18/2014 | Valencia Road: Wade Road to Mark Road Construction Project (CT-15*219) | 7 | \$ 12,938,648 | \$ 13,088,525 | \$ (149,877) | 101% | 142.3 |
| TOTAL (12 projects) | | | 90 | \$ 31,030,960 | \$ 27,905,266 | \$ 3,125,694 | 90% | 303 |
| AVERAGE | | | 8 | | | | | 25 |

Pima County Construction Bid Awards (Categorized)
Calendar Year 2014

Projects greater than \$1 million

| Dept | Approval Date | Project | No. of Bidders | Engineer's Estimate | Bid Award Amount | Difference (Above/Below Estimate) | Bid % of Engineer's Estimate | No. of Jobs |
|---------------------------|---------------|--|----------------|----------------------|----------------------|-----------------------------------|------------------------------|--------------|
| RWRD | 1/7/2014 | Pantano Interceptor: Harrison Road, Milmar to Escalante Project No. 3HME02 | 11 | \$ 1,351,320 | \$ 2,046,998 | \$ (695,678) | 151% | 22 |
| DOT | 2/18/2014 | Countywide Overlay South Project | 7 | \$ 2,044,250 | \$ 1,654,944 | \$ 389,306 | 81% | 18 |
| RWRD | 4/1/2014 | Pima County Regional Wastewater Reclamation Department Laboratory Addition | 8 | \$ 5,437,600 | \$ 4,155,366 | \$ 1,282,234 | 76% | 45 |
| PWA | 8/18/2014 | Pantano Wash underpass at Broadway Boulevard and Linear Pathway from Broadway Boulevard to Kenyon Drive Construction Project, PPBDWAY (CT-15*54) | 4 | \$ 1,037,651 | \$ 989,046 | \$ 48,605 | 95% | 10.8 |
| RWRD | 9/16/2014 | North Rillito Interceptor Relief Sewer Construction Project, 3NRR02 (CT-15*82) | 10 | \$ 4,140,000 | \$ 2,410,440 | \$ 1,729,560 | 58% | 26.2 |
| DOT | 9/16/2014 | Camino Verde: Brightwater Way to Valencia Road Construction Project, 4CVBWW (CT-15*116) | 8 | \$ 1,090,741 | \$ 969,859 | \$ 120,882 | 89% | 10.5 |
| RWRD | 10/21/2014 | Conveyance SCADA Upgrade Construction Project, 3CSU04 (CT-15*215) | 4 | \$ 1,600,000 | \$ 1,457,848 | \$ 142,152 | 91% | 15.8 |
| DOT | 11/18/2014 | Valencia Road: Wade Road to Mark Road Construction Project (CT-15*219) | 7 | \$ 12,938,648 | \$ 13,088,525 | \$ (149,877) | 101% | 142.3 |
| TOTAL (8 Projects) | | | 59 | \$ 29,640,210 | \$ 26,773,026 | \$ 2,867,184 | 90% | 291.0 |
| Average | | | 7 | | | | | 36 |

Projects less than \$1 million

| Dept | Approval Date | Project | No. of Bidders | Engineer's Estimate | Bid Award Amount | Difference (Above/Below Estimate) | Bid % of Engineer's Estimate | No. of Jobs |
|---------------------------|---------------|--|----------------|---------------------|---------------------|-----------------------------------|------------------------------|-------------|
| FMD | 1/7/2014 | Pima County Administration East Fourth Floor Tenant Improvements | 10 | \$ 548,279 | \$ 494,100 | \$ 54,179 | 90% | 5 |
| DOT | 3/11/2014 | Construction of the Centennial Elementary, Flowing Wells Jr. High Safe Routes to School Transportation Enhancement Project | 8 | \$ 474,529 | \$ 302,439 | \$ 172,090 | 64% | 3 |
| RFCD | 5/1/2014 | Demolition of 9360 N. La Cholla Blvd | 11 | \$ 67,942 | \$ 37,092 | \$ 30,850 | 55% | 0.4 |
| RWRD | 9/16/2014 | Sub-Regional Facility (SRF) Security Improvement Project, 3SRF13 (CT-15*78) | 2 | \$ 300,000 | \$ 298,608 | \$ 1,392 | 99.5% | 3 |
| TOTAL (4 projects) | | | 31 | \$ 1,390,750 | \$ 1,132,240 | \$ 258,510 | 81% | 12 |
| Average | | | 8 | | | | | 3 |

**Other Construction Contract Awards
Calendar Year 2014**

Table 1. Other construction contracts awarded July 1, 2014-December 31, 2014

| Dept | Projects | Award Total | No. of Jobs |
|---|--|----------------------|-------------|
| FMD=Facilities Management • NRPR=Natural Resources, Parks and Rec • RFCD=Regional Flood Control District • RWRD=Wastewater Reclamation | | | |
| FMD | Construction Manager at Risk for Downtown Court Complex (Level 3 construction)(CT-FM-11042215P, Amd. 20) | \$ 2,462,735 | 27 |
| RFCD | Paseo de las Iglesias Phase I construction, 5SERAJ (CT-FC-14-178, C.O. 1) | \$ 2,000,000 | 22 |
| RWRD | Tres Rios WRF West Plant Clarifier Mechanical Rehabilitation Project, 3IPC02 (CT-WW-14*270, Amd. 1) | \$ 441,662 | 5 |
| RFCD | Job Order Master Agreement for flood control and drainage improvements (MA-PO-13-191, Amd. 2) | \$ 3,000,000 | 33 |
| NRPR | Job Order Master Agreement for as-needed well installation, development and repair for NRPR, RWRD, and DEQ (MA-PO-13*167, Amd.2) | \$ 550,000 | 6 |
| RWRD | Construction Manager at Risk for the South Rillito West Central Interceptor Rehabilitation, 3NRI14 (CT-WW-14*189, Amd. 2) | \$ 5,126,681 | 56 |
| DOT | Job Order Master Agreement for traffic signal, road intersection, paving and drainage improvements (MA-PO-12-226, Amd. 6) | \$ 5,000,000 | 54 |
| TOTAL (7 projects) | | \$ 18,581,077 | 202 |

Table 2. Other construction contracts awarded January 1, 2014-June 30, 2014

| Dept | Projects | Award Total | No. of jobs |
|---|---|----------------------|-------------|
| FMD=Facilities Management • NRPR=Natural Resources, Parks and Rec • RFCD=Regional Flood Control District • RWRD=Wastewater Reclamation | | | |
| RWRD | Wastewater Plant construction and rehabilitation repair, Amend. 5 (MA-PO-DNC-1) | \$ 4,000,000 | 43 |
| RWRD | South Rillito West Central Inceptor Rehabilitation Construction Manager at Risk (CMAR), Amend. 1 (CT-WW-14-144) | \$ 1,579,428 | 17 |
| FMD | Downtown Court Complex CMAR, Amend. 14 (CT-FM-11042215P) | \$ 14,685,472 | 160 |
| RWRD | South Rillito West Central Inceptor Rehabilitation CMAR, 3SRWC4, GMP 2, Amend. 2 (CT-WW-14-144) | \$ 12,159,597 | 132 |
| NRPR | Park Development Job Order Contracting (JOC) (MA-PR-12-447-02) | \$ 500,000 | 5 |
| FMD | Construction of the new Fleet Services facility (CT-FM-13-802-04) | \$ 635,234 | 7 |
| PMO | Paving Services JOC Master Agreement (Solicitation No. 120705) | \$ 1,500,000 | 16 |
| RWRD | Wastewater Coveyance and related repair, Rehabilitation, and Construction Services JOC Master Agreement (MA-WW-13*03) | \$ 25,000,000 | 272 |
| FMD | Downtown Court Complex CMAR (CT-FM-11042215P-19) | \$ 3,071,301 | 33 |
| Total (9 projects) | | \$ 63,131,032 | 686 |

2014 Economic Impact

| | Awards | Jobs |
|---|-----------------------|-------------|
| Construction Bid Awards (12 projects) | \$ 27,905,266 | 303 |
| Other Constructon Contract Awards (16 Projects) | \$ 81,712,109 | 888 |
| Total of All Construction Project Awards (28 projects) | \$ 109,617,375 | 1191 |