



MEMORANDUM

Date: July 1, 2014

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

From: C.H. Huckelberry
County Administrator 

Re: **Select Development Roadway Construction Project Monitoring**

Given the difficulties with completing the La Cañada Drive project - River to Ina Roads, the Department of Transportation is closely monitoring other roadway projects under contract with Select Development.

Attached is a June 30, 2014 status report on this subject. I have requested these status reports on a biweekly basis and, I will continue to forward them to the Board of Supervisors for your information.

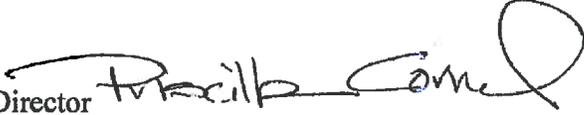
CHH/anc

Attachment

c: John Bernal, Deputy County Administrator for Public Works
Priscilla Cornelio, Director, Department of Transportation
George Widugiris, Director, Procurement Department



MEMORANDUM

DATE: June 30, 2014
TO: C.H. Huckelberry, County Administrator
FROM: Priscilla S. Cornelio, P.E., Transportation Director 
SUBJECT: Update Regarding La Cañada Drive, River Road to Ina Road

Per your memorandum dated May 19, 2014, attached is the biweekly update report regarding La Cañada Drive: River Road to Ina Road. We have also included the status of two other projects, Magee: La Cañada to Oracle and Homer Davis School which are being constructed by Select Development.

Please let me know if you have any questions.

PSC:dg

Attachment

c: John M. Bernal, Deputy County Administrator for Public Works
George Widugiris, Director, Procurement
Ana Olivares, Deputy Director
Rick Ellis, Division Manager
Thomas Kilargis, Division Manager

Select Development Project Progress Updates

June 30, 2014

4LCRRI La Cañada, Ina to River

NTP: May 7, 2012

Contract Time: 529 Working Days (1)

Days Remaining: 2 Working Days (as of week ending June 27, 2014)

Note 1: Original Time was 480 Working Days. Approved time extensions have added 49 days.

Progress:

Select continues working on box culvert 1, just north of Roller Coaster Road, as well as, earthwork, curb and sidewalk at Orange Grove intersection. Landscape work in progress throughout the project. Paving is on hold due to Select issues with material supplier, CPC. Major work not completed is signals, lighting, and drainage excavation, including slope paving and rip rap, driveway paving, final lift of ARAC and cleanup work.

PCDOT Actions:

Estimated completion date per Select's schedule is August 2014. DOT staff has at minimum, weekly meetings with Select to discuss schedule and progress. PCDOT sent Select a letter on June 30 requesting new paving dates since they did not start paving today. Monsoon season with potential heavy rains is rapidly approaching and Select must take action to protect the exposed aggregate base (AB). Select was sent a letter on June 30 informing them contract time expires on Tuesday, July 1 and liquidated damages will be assessed for every day after. Select's bonding company, CNA, will receive copy of letter.

Sub-Contractor Payments:

Sub-contractor Blue Diamond has been the most vocal about non-payment and late payments from Select; however, other sub-contractors have experienced the same issue. Select maintains they have reasons for not paying.

PCDOT Actions:

DOT continues to request confirmation of sub-contractor payments from Select. Both Blue Diamond and Select have shared several e-mails between them regarding the necessary documentation Select requires prior to releasing payments to Blue Diamond. If the other sub-contractors are having similar correspondence, they did not share it with Pima County. Field Engineering met with FHWA, ADOT and Pima County Procurement to discuss how to proceed in handling this situation. It was decided that we are to contact and question all subcontractors and suppliers, through a brief survey, and obtain a payment history for the last 6 months. This survey was sent on Monday, June 16, 2014. The results of the survey showed several of the sub-contractors and suppliers had not received timely payments. Select was sent a letter on June 25 informing them they are in violation of the contract and must pay all outstanding balances or provide written documentation of reasons for non-payment by end of business day June 27. PCDOT will not release the next monthly progress payment until this information is received and accepted. Select Development did not respond to Pima County's demands to either present proof of payment to all their subcontractors and suppliers or provide reasons why payments are being held, before the given deadline date of Friday June 27, 2014, end of business day. Brandon Neal, Select Development informed Pima County this morning they will respond to the "hold on payment" today.

Select Development Project Progress Updates

June 30, 2014

SWPPP:

DOT Erosion Control Coordinator and Contractor counterpart continue to conduct regular inspections, document the inspections and correct any deficiencies that need correction.

PCDOT Actions:

PCDOT will continue monitoring SWPPP.

Claim:

Select submitted a Request for Information (RFI) Response Time Delay Claim seeking compensation of \$2,434,909.90. PCDOT denied this claim due to not giving proper notification as outlined in Section 105 of the Standard Specifications. Select does not accept denial and sent a letter on June 17 stating the claim amount has risen to \$3,208,005.14. They have also requested to escalate this issue to the next level.

PCDOT Actions:

DOT met internally with Procurement and County attorney on June 26 to discuss the next steps. The consensus at the meeting was the Director's office would meet with Select Development to discuss this claim. The Director's office is in the process of scheduling the escalation meeting.

Select Development Project Progress Updates

June 30, 2014

4MRLCO Magee III, La Cañada to Oracle

NTP: October 28, 2013

Contract Time: 300 Working Days (2)

Days Remaining: 134 Working Days (as of week ending June 27, 2014)

Note 2: Select has requested a 35-day time extension for a Tucson Water issue. DOT staff is reviewing. Select has stated there will be additional costs associated with this issue.

Progress:

Select working on Tucson Water dip sections and tie-ins north side of Magee, and pre-cast box installation along with miscellaneous drainage work on the south side of Magee. Select is also working on detours for drainage work and curb installation.

PCDOT Actions:

Estimated completion date per Select's schedule is January 2014. DOT staff has at minimum, weekly meetings with Select to discuss schedule and progress.

Sub-Contractor Payments:

Sub-contractor Blue Diamond has been the most vocal about non-payment and late payments from Select; however, other sub-contractors have experienced the same issue. Select maintains they have reasons for not paying.

PCDOT Actions:

DOT continues to request confirmation of sub-contractor payments from Select. Both Blue Diamond and Select have shared several e-mails between them regarding the necessary documentation Select requires prior to releasing payments to Blue Diamond. If the other sub-contractors are having similar correspondence, they did not share it with Pima County. Field Engineering met with FHWA, ADOT and Pima County Procurement to discuss how to proceed in handling this situation. It was decided that we are to contact and question all subcontractors and suppliers, through a brief survey, and obtain a payment history for the last 6 months. This survey was sent on Monday, June 16, 2014. The results of the survey showed several of the sub-contractors and suppliers had not received timely payments. Select was sent a letter on June 25 informing them they are in violation of the contract and must pay all outstanding balances or provide written documentation of reasons for non-payment by end of business day June 27. PCDOT will not release the next monthly progress payment until this information is received and accepted. Select Development did not respond to Pima County's demands to either present proof of payment to all their subcontractors and suppliers or provide reasons why payments are being held, before the given deadline date of Friday June 27, 2014, end of business day. Brandon Neal, Select Development informed Pima County this morning they will respond to the "hold on payment" today.

SWPPP:

DOT Erosion Control Coordinator and Contractor counterpart continue to conduct regular inspections, document the inspections and correct any deficiencies that need correction.

Select Development Project Progress Updates

June 30, 2014

PCDOT Actions:

PCDOT will continue monitoring SWPPP.

Sub-Contractor Approvals:

When Select was awarded the contract by the BOS, the Board stipulated that all sub-contractors not shown in the initial sub-contractor list submitted at bid time, be brought to the BOS for approval before starting work. Select is following through with this, though it has been challenging for Select to obtain sub-contractors. They are doing most of their own work. Electrical sub change request was approved by BOS on 6/17.

PCDOT Actions:

DOT staff is readily available to place request for new sub-contractor on BOS agenda as quickly as possible.

Claim: There are no claims on this project.

Select Development Project Progress Updates

June 30, 2014

4HDBPE Homer Davis School TE

NTP: June 20, 2013

Contract Time: 125 Working Days (3)

Days Remaining: 6 Working Days (as of week ending June 27, 2014)

Note 3: Throughout the construction duration, several utility conflicts arose which required a number of new design and re-design efforts. Due to the significant reduction in work productivity, working days were not charged. Currently, no contract time is charged pending resolution for deficiencies in asphaltic concrete pavement finish course that was placed on May 7 & 8, 2014.

Progress:

Most items of work are complete. Contractor is currently working on installing granite mulch on the shoulder areas east and west sides of Romero Road. Contractor is also planning on installing steps in a concrete drainage junction structure in the middle of the intersection at Romero Road and Wetmore Road. Recently installed final lift of asphalt is in reject due to high voids and no cement in mix. Select plans to begin milling the rejected material July 8, 2014 and be complete by the end of the day on the ninth. Repaving will begin on the first available day following the milling and should take an additional 3 days.

PCDOT Actions:

PCDOT will continue to work with Select to complete project as quickly as possible.

Sub-Contractor Payments:

Sub-contractor Blue Diamond has been the most vocal about non-payment and late payments from Select; however, other sub-contractors have experienced the same issue. Select maintains they have reasons for not paying.

PCDOT Actions:

DOT continues to request confirmation of sub-contractor payments from Select. Both Blue Diamond and Select have shared several e-mails between them regarding the necessary documentation Select requires prior to releasing payments to Blue Diamond. If the other sub-contractors are having similar correspondence, they did not share it with Pima County. Field Engineering met with FHWA, ADOT and Pima County Procurement to discuss how to proceed in handling this situation. It was decided that we are to contact and question all subcontractors and suppliers, through a brief survey, and obtain a payment history for the last 6 months. This survey was sent on Monday, June 16, 2014. The results of the survey showed several of the sub-contractors and suppliers had not received timely payments. Select was sent a letter on June 25 informing them they are in violation of the contract and must pay all outstanding balances or provide written documentation of reasons for non-payment by end of business day June 27. PCDOT will not release the next monthly progress payment until this information is received and accepted. Select Development did not respond to Pima County's demands to either present proof of payment to all their subcontractors and suppliers or provide reasons why payments are being held, before the given deadline date of Friday June 27, 2014, end of business day. Brandon Neal, Select Development informed Pima County this morning they will respond to the "hold on payment" today.

Select Development Project Progress Updates

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SWPPP:

DOT Erosion Control Coordinator and Contractor counterpart continue to conduct regular inspections, document the inspections and correct any deficiencies that need correction.

PCDOT Actions:

PCDOT will continue monitoring SWPPP.

Claim:

Select has requested compensation for additional home office and loss of profit based on extended contract time and increase in project scope.

PCDOT Actions:

DOT responded that all alterations to contract were fairly and equitably adjusted as warranted in 6 change orders and contract time extension is also due to contractor inefficiencies; therefore, request was denied. To date we have received no further response from Select.