



MEMORANDUM

Date: July 16, 2014

To: The Honorable Sharon Bronson, Chair
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: **A and M Fencing Concerns Regarding La Cañada Roadway Project**

Your office was contacted on July 9, 2014 by Mr. Matt Gage regarding his concerns over Pima County's action or inaction on the La Cañada roadway improvement project.

Attached is a July 15, 2014 report from the Department of Transportation that addresses the concerns expressed by Mr. Gage. As noted in the report, Mr. Gage's concerns must be addressed directly with Select Development, since Pima County has no contractual relationship with A and M Fencing for this project.

As previously reported, Pima County is addressing the concerns we have with Select Development's lack of timely completion of this project and noncompliance with other contract provisions.

CHH/mjk

Attachment

c: The Honorable Members, Pima County Board of Supervisors
John Bernal, Deputy County Administrator for Public Works
Priscilla Cornelio, Transportation Director
George Widugiris, Procurement Director



MEMORANDUM

DATE: July 15, 2014

TO: John M. Bernal, Deputy County Administrator for Public Works

FROM: Priscilla S. Cornelio, P.E., Transportation Director

SUBJECT: A&M Fencing – Matt Gage

This memorandum is in response to your request to provide background information on A&M Fencing, a contractor that had contacted Supervisor Bronsons' office last week. Transportation (DOT) contacted Matt Gage of A&M Fencing on Friday, July 11. Mr. Gage had several issues he wanted to discuss. He stated they started out as a fencing company but have also branched out to do masonry work and the issues he has have to do with their masonry work. DOT's Field Engineering Section had previously discussed these same issues with Mr. Gage during weekly meetings and in phone calls, as well as a specific meeting just with him.

Below are the issues Mr. Gage touched upon during his conversation with DOT.

On the Magee, Thornydale to Mona Lisa, project A&M Fencing was a subcontractor to KE&G construction and he was upset for two reasons:

- 1) His material costs increased from the time of bidding to actual time to construct and he requested extra compensation. This request was denied since we pay bid prices from the awarded contract for items of work completed.
- 2) During the monsoon storms his footing for the walls were damaged and he had to re-build them several times. He requested extra compensation for his costs and was denied since protection of work during storm events is the contractor's responsibility.

On the La Canada, River to Ina, project A&M Fencing is a subcontractor to Select Development (Select) and he is upset for several reasons:

- 1) They bid the job to Select in early 2012 and Select told them they would start their work in August 2012, however, they did not really start work until November 2012. He asked to re-bid his prices and was denied since we pay bid prices from the awarded contract for items of work completed.
- 2) He requested payment for stored material. This is something we can do under our contracts; however, the material must either be stored on the project site or at another location clearly marked and saved for the specific project. When Mr. Gage made this request, the material was not on site and when inspectors went to Young Block, the block had not been made yet. Young Block just had an order for the block. Mr. Gage's request for payment of stored material was denied.

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- 3) Even though Select kept telling Mr. Gage that walls needed to be completed and the area was ready, Mr. Gage said that was not true and his work was usually delayed. This caused issues with his personnel and supplier and Mr. Gage was frustrated. Scheduling of subcontractor work is the responsibility of the prime contractor and not the agency.
- 4) Mr. Gage states Select has been late to pay their invoices and when they do pay, they do not pay the entire invoice amount and it has been difficult and frustrating to work with them. He says that before his invoices are paid he is asked to provide a lien waiver from his suppliers to ensure he is paying them. Mr. Gage states the County should do the same and require lien waivers from subcontractors before paying Select. Section 109-2 of our Standard Specifications allow us to require lien waivers at any time during the project and that is what we are currently going through with Select on this project.

DOT sent a questionnaire on June 16, 2014, to all subcontractors and suppliers on the La Canada project to obtain a payment history for the past 6 months. A&M Fencing responded to the questionnaire about amounts owed to them by Select. On July 10, Select responded to DOT concerning A&M Fencing's claim as follows:

"A&M Fence- According to the survey information A&M is claiming monies due for March and April of 2014. As you can see from the survey A&M owed Border Products and other suppliers for February when there was nothing owed to A&M. The subcontract that Pima County has approved shows that a condition of payment is supplying lien waivers for each of the suppliers owing zero (0) dollars for the project. A&M has yet to provide the proper documentation to show that the suppliers on the project have been paid and for many months showed suppliers owed more than the monies due A&M. A&M at any time could have provided the proper documentation to receive payment and yet decided to wait until the billings were enough to cover the suppliers. To date A&M has yet to provide the waivers as described in the contract documents and Select is moving towards paying suppliers directly out of any funds that may be due A&M Fence. The Survey also reflects retention withheld as a due amount. Per the contract documents retention is with held (sic) until all close out documents have been provided."

A&M Fencing has not contacted County Procurement regarding this issue; however, Procurement did confirm that A&M Fencing does not appear on the City of Tucson's DBE list.

Please let me know if you have any questions.

PSC:AO:dg

c: George Widugiris, Director, Procurement
John Carter, Procurement
Ana Olivares, Deputy Director
Rick Ellis, Division Manager
Thomas Kilargis, Division Manager