



MEMORANDUM

Date: September 24, 2013

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

From: C.H. Huckelberry
County Administrator *CHH*

Re: **Semiannual Construction-related Bid Awards and Economic Impacts for the First Six Months of Calendar Year 2013**

The attached September 18, 2013 memorandum and supporting material is self-explanatory. This report documents the County's efforts toward advancing public works-related construction improvements of infrastructure throughout our community, as well as the employment of individuals in the construction industry.

Given the slower than normal economic conditions, actual costs and bid awards compared to the project engineer estimates continue to represent a very competitive construction market.

CHH/dph

Attachment

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



MEMORANDUM

Public Works Administration



DATE: September 18, 2013

TO: C. H. Huckelberry
County Administrator

FROM: Lisa S. Matthews
Special Staff Assistant

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THRU: Nanette M. Slusser
Assistant County Administrator for Policy

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**RE: Semi-Annual Construction-Related Bid Awards and Economic Impacts
Fiscal Year 2013, January 1, 2013 - June 30, 2013**

This memorandum is a semi-annual update on standard bid results and other construction-related contracts awards during the last half of Fiscal Year (FY) 2013. These bids include design-build, design-bid-build, and design-build-operate projects, excluding alternative delivery method, intergovernmental agreements, and non-construction bids. The final section of this update summarizes the economic impact of all construction contract awards since 2006.

Standard Construction Bid Awards

Awarded Bids, January 1-June 30, 2013 (6 months)

The last half of FY 2013 resulted in 17 construction bids totaling \$35.3 million awarded to private-sector contractors: \$32.4 million for 10 projects greater than \$1.0 million, and nearly \$2.9 million for 7 projects less than \$1.0 million. The average bid award was 86 percent of the engineers' estimates; two bids greater than \$1.0 million exceeded project estimates. The average number of bidders continues to hover around 6-8 bidders per project. The attached charts and spreadsheets show the list of projects and bid award details. Although the delta is greater in projects less than \$1 million, the difference between estimates and awards continue to decrease as time progresses.

Awarded Bids, July 1, 2012-June 30, 2013 (12 months)

In FY 2013, a total of 25 bids awarded on all construction-related projects totaled \$57.3 million. The total amounts awarded were 84 percent of project estimates, or 16 percent less than the project estimates. A list of these projects is attached.

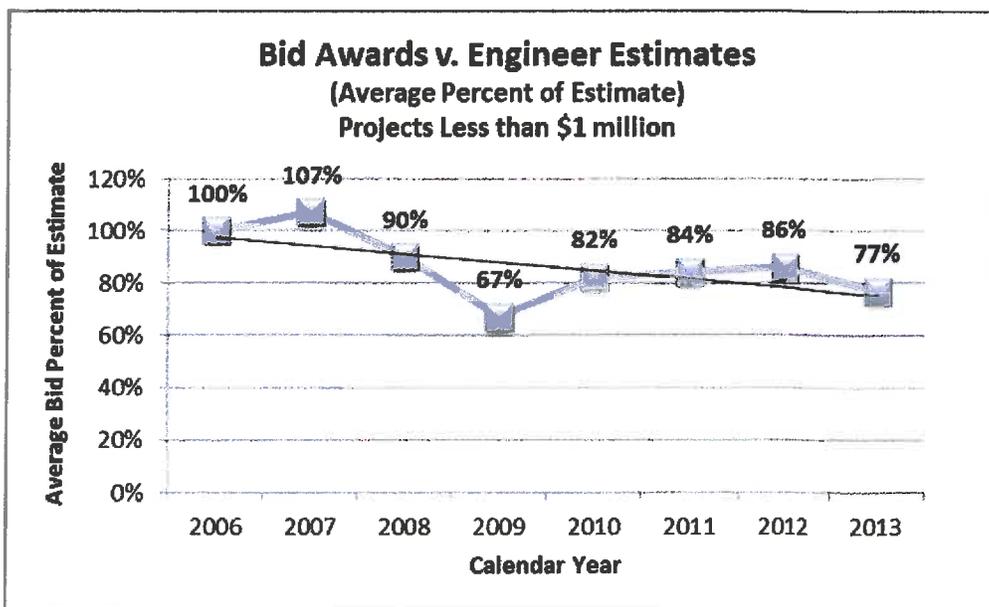
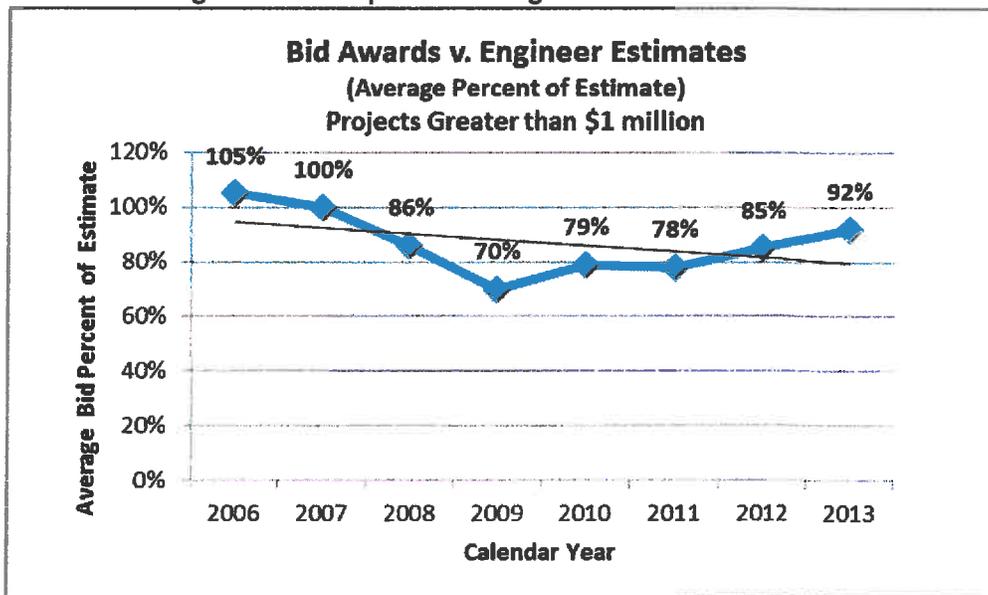
Project Estimates v. Awards, 2006-2013 (7 years)

When analyzing these bids annually over time, Pima County's bidders are steadily moving closer to pre-recession averages as the economy continues to recover. The average bid amounts awarded between 2006 and the first half of Calendar Year (CY) 2013 coincide with the national economic peak and trough periods. According to the National Bureau of Economic Research, the Great Recession period was December 2007 to June 2009. Although some recession factors (e.g., high unemployment rates) lingered past 2009, contributing to the slow recovery, 2009 was established as a pivotal point of the economic decline or trough. A similar pattern occurred with Pima County's bids.

In 2006, a year before the economy peaked, awarded bids were an average 105 percent of (or 5% higher than) engineer estimates for projects greater than \$1 million. The average bid estimate-to-award percentage dropped in 2009; these projects were an average 70 percent of (30% less than) project estimates, the lowest average in this bid monitoring period. Currently, these bids average 92 percent of (8% less than) the project estimates. Projects less than \$1 million resulted in the same rise and fall averages: 100 percent in 2006, 67% in 2009, 86% in 2012.

The following tables show the 6.5-year trend on the average percent of bids awarded versus estimates for projects greater and less than \$1 million from CY 2006 to the first half of CY 2013.

Table 1: Average Bid awards percent to engineers' estimate



Note: CY 2013 observation period contains only the first six months of 2013

The difference between estimates and awards is slightly more in projects less than \$1 million. Contractors are bidding closer to estimates on projects greater than \$1 million, as shown on the attached spreadsheets with details on these projects. As the economy continues to improve, the average bid award to project estimate will likely continue to increase and possibly exceed project estimates with the County's current commodity estimates. These findings are shared with County project managers to apply an estimated inflation factor to cost estimates on projects moving out in two to three years or more.

Other Construction Contract Awards (Alternative Delivery Methods, Amendments, Master Agreements)

In addition to the 25 bids awarded in FY 2013, another 9 construction-related awards totaled nearly \$13.7 million the last six months of FY 2013. These awards include alternative delivery methods, amendments, change orders, and master agreements. Table II below identifies these awards and the estimated jobs created from the projects awarded in the last six months of FY 2013. Additional information regarding the total estimated jobs created is discussed in the *Economic Impacts* section of this report.

Table II: Other Construction-related Contracts, January 1-June 30, 2013

Dept	Project	Award Total	No. of Jobs
FMD	Construction Manager at Risk services for Downtown Court Complex	\$76,868	1
FMD	Tenant Improvements for Project ARCH-Abrams Building Level 4	\$950,000	10
RWRD	Water Reclamation Facility Design-Build-Operate Project	\$400,000	4
RWRD	Wastewater plant construction and rehabilitation repair services	\$2,500,000	27
NRPR	Park Develop Services	\$1,600,000	17
NRPR	Paving Services	\$1,900,000	21
FMD	Construction and remodeling services at various locations	\$2,050,000	22
RWRD	Wastewater plant construction and rehabilitation repair services ancillary to ROMP	\$4,000,000	43
Various	As-needed fencing services	\$200,000	2
TOTAL (9 projects)		\$13,676,868	147

Although the last six months of FY 2013 resulted in only 9 projects, the first half of FY 2013 had 17 additional construction contracts approved, totaling \$46.9 million, as shown in the following Table III.

Table III: Other Construction-related Contracts, July 1-December 31, 2012

Dept	Projects	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.	\$78,500	1
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
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
RFC	Flood Control and Drainage Improvements	\$3,000,000	33
DOT/RFC	Traffic signal, road intersection paving, and drainage improvements	\$7,000,000	76
NRPR	As-needed well installation, development, repair services	\$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 (17 projects)		\$46,926,631	510

The combined total of these other construction-related contracts is \$60.6 million in FY 2013. This amount is in addition to the \$57.3 million in standard bid awards, as shown in the attached spreadsheet titled Construction Awarded in FY 2013.

Economic Impacts

In FY 2013, an estimated 623 jobs were created from the 25 awarded contracts totaling \$57.3 million. The jobs estimation comes from the American Recovery and Reinvestment Act (ARRA) of 2009 formula of "\$92,000 in construction expenditures equals one man-year." Of the 623 jobs, a total of 384 were created from 9 projects awarded in the last six months of FY 2013. The combined total of all awarded construction bids and other contracts/amendments is \$117,956,830 with an estimated 1,282 job created in FY 2013.

C.H. Huckelberry, County Administrator

Semi-Annual Bid Awards, Comparisons, and Economic Impacts, January 1, 2013–June 30, 2013

September 18, 2013

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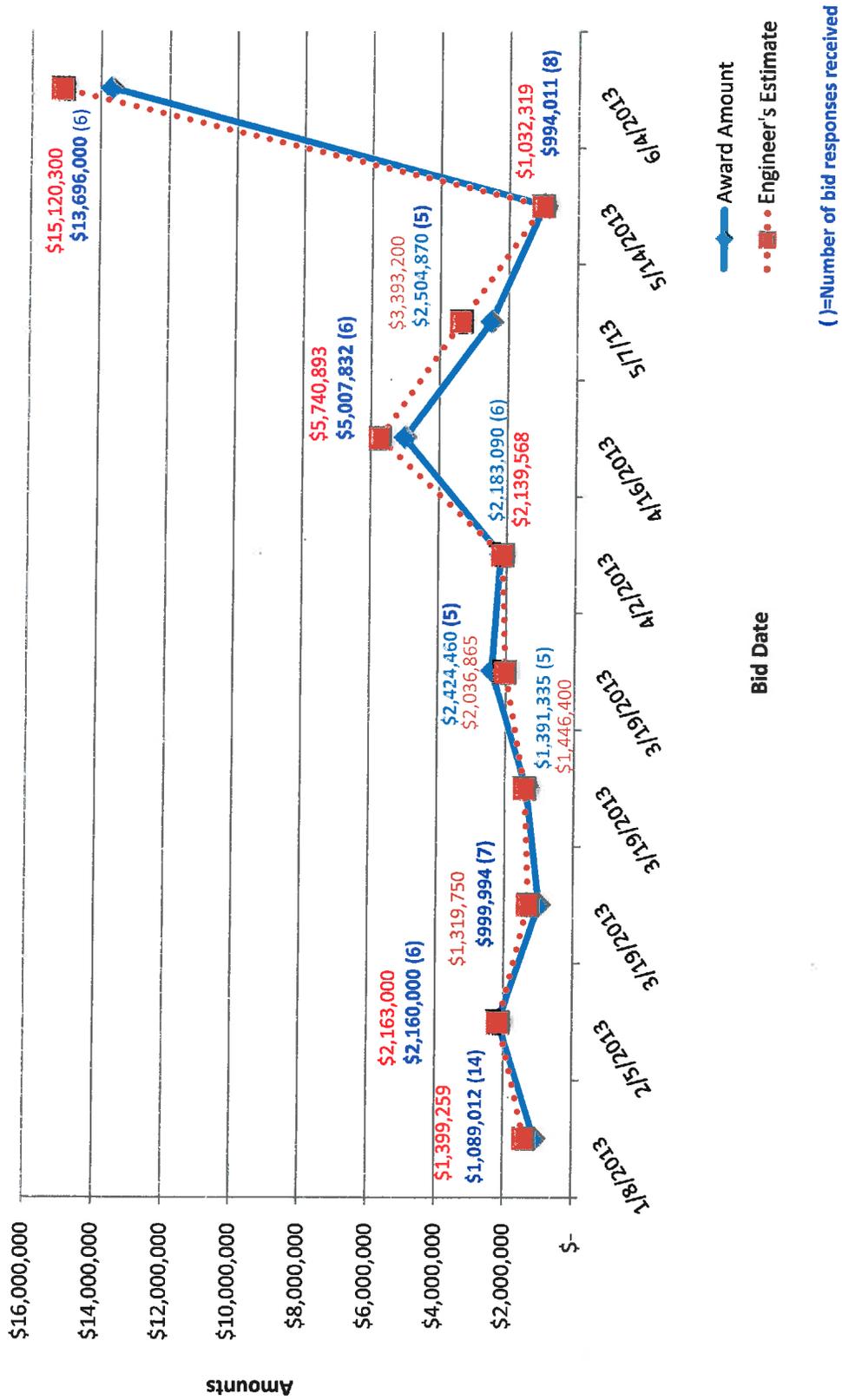
Since this analysis began in 2006, there were approximately 228 awarded construction projects, totaling more than \$1.1 billion invested in Pima County's capital infrastructure and creating approximately 14,531 jobs in the region.

Attachments (3)

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

Standard Construction Projects Greater than \$1 Million

January 1, 2013 - June 30, 2013



()=Number of bid responses received

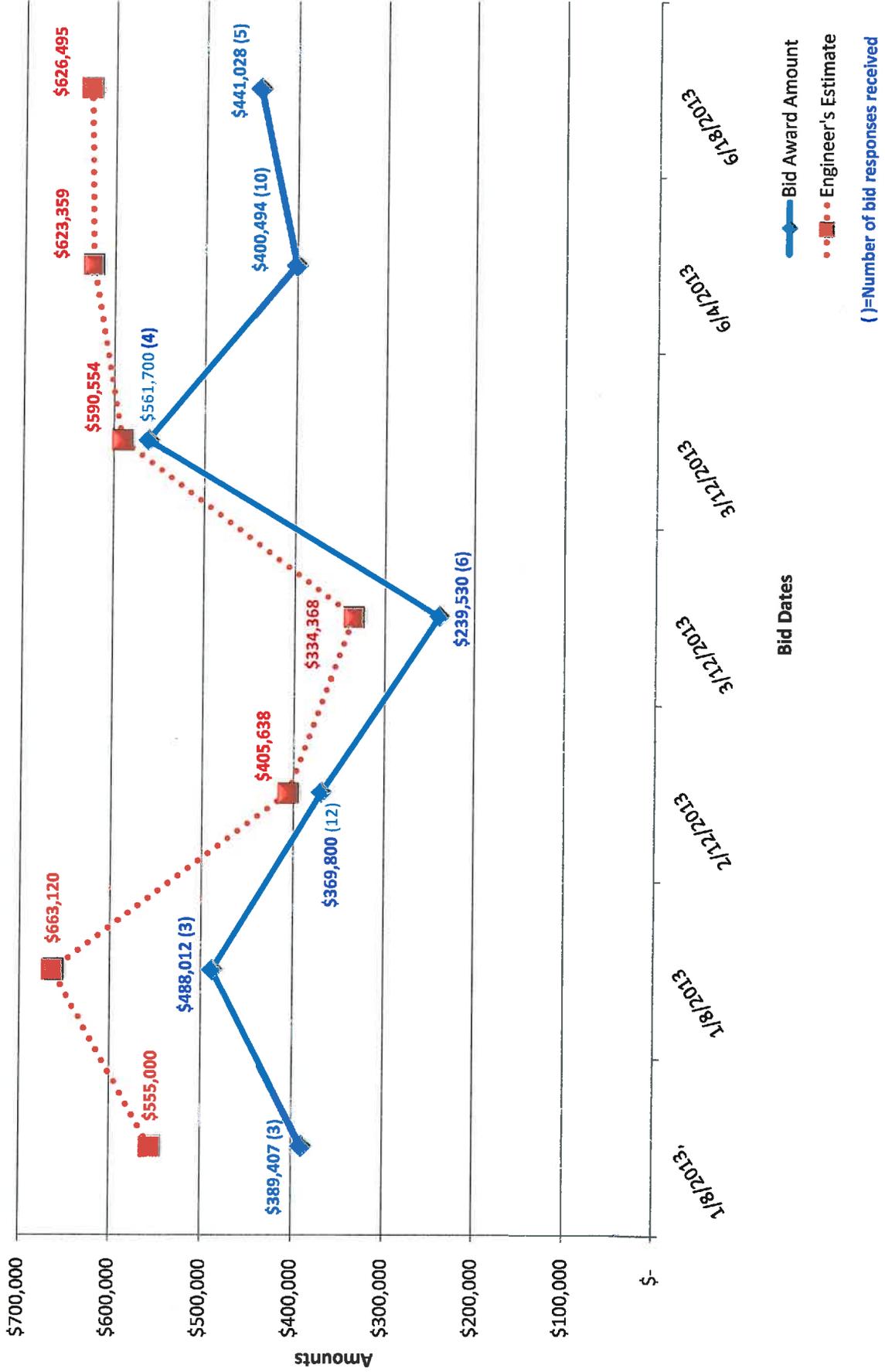
Standard Construction Projects Greater Than \$1 Million
January 1, 2013 through June 30, 2013

Dept	BOS Award Date	Projects	No. of Bidders	Engineer's Estimate	Award Amount	Bid % of Engineer's Estimate	No. of Jobs
DOT = Department of Transportation • FMD = Facilities Management Department • PMO=Project Management Office • RWRD=Regional Wastewater Reclamation							
FMD	1/8/2013	Pima County Administration Building West Fourth Floor Tenant Improvements, B4FLRR (CT-13*529)	14	\$ 1,399,259	\$ 1,089,012	78%	12
DOT	2/5/2013	Construction of Ina Road at SR77 (Oracle Rd) (CT 13*595)	6	\$ 2,163,000	\$ 2,160,000	100%	23
DOT	3/19/2013	Countywide Chip Seal-FY 12-13 Phase 4 (CT-13*715)	7	\$ 1,319,750	\$ 999,994	76%	11
DOT	3/19/2013	Countywide Overlay East (CT 13*716)	5	\$ 1,446,400	\$ 1,391,335	96%	15
FMD	3/19/2013	Kino Sports Complex Soccer Stadium (CT-13*683)	5	\$ 2,036,865	\$ 2,424,460	119%	26
RWRD	4/2/2013	Green Valley Water Reclamation Facility (WRF) Sludge Processing/ Odor Improvement Project (CT-13*661) ¹	6	\$ 2,139,568	\$ 2,183,090	102%	24
PMO	4/16/2013	Construction of Orange Grove Road, Camino de la Tierra to La Cholla Boulevard (CT-13*765)	6	\$ 5,740,893	\$ 5,007,832	87%	54
DOT	5/7/13	Countywide Overlay West (CT-13*768)	5	\$ 3,393,200	\$ 2,504,870	74%	27
DOT	5/14/2013	Homer Davis Elementary School Transportation Enhancement (CT-13*789)	8	\$ 1,032,319	\$ 994,011	96%	11
FMD	6/4/2013	New Fleet Services Facility (CT-13*802)	6	\$ 15,120,300	\$ 13,696,000	91%	149
TOTAL (10 Projects)			68	\$ 35,791,554	\$ 32,450,604		353
AVERAGE			7			92%	

¹ Item continued from March 19, 2013 Board of Supervisors' Agenda

Standard Construction Projects Less than \$1 Million

January 1, 2013 through June 30, 2013



◆ Bid Award Amount
■ Engineer's Estimate
 () = Number of bid responses received

Standard Construction Projects Less than \$1 Million
January 1, 2013 through June 30, 2013

Dept	BOS Approval Date	Projects	No. of Bidders	Engineer's Estimate	Bid Award Amount	Bid % of Engineer's Estimate	No. of Jobs
FMD = Facilities Management • RWRD = Wastewater Reclamation							
RWRD	1/8/2013	Construction of the cured-in-place pipe and cured-in-place sectional liners for 8th to 10th Street, Park to 4th Avenue Plan No. 28PK13 (CT-13*477)	3	\$ 555,000	\$ 389,407	70%	4
RWRD	1/8/2013	Construction of the cured-in-place pipe and cured-in-place sectional liners for 4th Street to 6th Street, Park Avenue to Granada Avenue, Plan No. 34PK13 (CT-13*495)	3	\$ 663,120	\$ 488,012	74%	5
FMD	2/12/2013	NRPR Ajo Community Center Upgrades, XCOMAJ (CT-13*572)	12	\$ 405,638	\$ 369,800	91%	4
FMD	3/12/2013	Julian Wash Greenway, 6th Avenue to Park Avenue, Phase 1, 4JWPK6 (CT-13-724)	6	\$ 334,368	\$ 239,530	72%	3
FMD	3/12/2013	Pima County Detention Center Tower and Kitchen Roof Replacement and Kitchen Freezer Replacement (CT-13*684)	4	\$ 590,554	\$ 561,700	95%	6
FMD	6/4/2013	Pima County Sheriff's Department Training Facility North Addition (CT-13*809)	10	\$ 623,359	\$ 400,494	64%	4
FMD	6/18/2013	UAMC South Campus Parking Lot Improvements (CT-13*847)	5	\$ 626,495	\$ 441,028	70%	5
TOTAL (7 PROJECTS)			43	\$ 3,798,534	\$ 2,889,971		31
AVERAGE			6			77%	

Construction Bids Awards in Fiscal Year 2013

Dept	BOS Approval Date	Projects	No. of Bidders	Engineer's Estimate	Bid Award Amount	Bid % of Engineer's Estimate	No. of Jobs
DOT= Transportation • FMD = Facilities Management • PMO = Project Management Office • RWRD = Regional Wastewater Reclamation							
DOT	7/10/2012	La Cholla Boulevard: Magee Road to Overton Road (4RTLTM)(CT-13*150)	9	\$ 18,500,000	\$ 15,717,614	85%	171
FMD	8/20/2012	Southern Arizona Indoor Sports Center Construction of Curtis Park Gym (CT-13*229)	11	\$ 5,000,000	\$ 4,169,000	83%	45
FMD	9/4/2012	Pima County Eckstrom-Columbus Library Expansion (CT-13*237)	10	\$ 1,066,500	\$ 773,850	73%	8
FMD	9/11/2012	Adaptive Reuse of Historic Ajo Train Depot Transportation Enhancement Project, Ajo, AZ	3	\$ 425,000	\$ 414,052	97%	5
FMD	11/20/2012	Pima County Mission Road Complex Building 24 Remodel (CT-13*453)	10	\$ 404,800	\$ 339,300	84%	4
FMD	12/4/2012	Pima County Kino Pool Renovations (CT-13*457)	13	\$ 419,463	\$ 402,472	96%	4
RWRD ¹	12/10/2012	Construction of the cured-in-place pipe and cured-in-place sectional liners for Speedway at Country Club	5	\$ 180,000	\$ 106,618	59%	1
RWRD ¹	12/10/2012	Construction of the 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
RWRD	1/8/2013	Construction of the cured-in-place pipe and cured-in-place sectional liners for 8th to 10th Street, Park to 4th Avenue Plan No. 28PK13 (CT-13*477)	3	\$ 555,000	\$ 389,407	70%	4
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FMD	6/18/2013	UAMC South Campus Parking Lot Improvements (CT-13*847)	5	\$ 626,495	\$ 441,028	70%	5
Total (25 Projects)			174	\$ 65,745,852	\$ 57,353,331	84%	623
Average			7				

¹ Procurement Director approved.

² Item continued from March 19, 2013 Board of Supervisors' Agenda.