



MEMORANDUM

Date: January 20, 2012

To: Chairman and Members
Pima County Bond Advisory Committee

From: C.H. Huckelberry
County Administrator 

Re: **Pima County Construction Projects and Economic Impact**

Pima County continues to implement voter authorized bond programs and construct a number of facility improvements throughout Pima County. These projects range from wastewater facility improvements to widening of roadways. The attached comparison memorandum indicates that nearly \$80 million in improvement projects were contracted in 2011.

The memorandum also compares bid results as a percentage of the engineer's estimate from 2006 to December 2011. In 2006, bids exceeded the estimate by five percent; today, they continue to be awarded approximately 20 percent below the engineer's estimate.

Since 2006, Pima County awarded more than 174 construction projects, totaling nearly \$882 million. Using the American Recovery and Reinvestment Act of 2009 formula for calculating job creation, the County created or sustained approximately 12,269 jobs in the region; nearly 864 of these jobs were created in 2011.

CHH/mjk

Attachment

c: The Honorable Chairman and Members, Pima County Board of Supervisors



MEMORANDUM

Public Works Administration



DATE: January 19, 2012

TO: C. H. Huckelberry
County Administrator

FROM: Nanette M. Slusser 
Assistant County Administrator for Policy

RE: Comparison of Bid Tabulations, January 1, 2011– June 30, 2011

Attached is the semi-annual update on construction project bids awarded between July 1, 2011 and December 31, 2011. There were 11 projects bid, totaling \$39 million during this period. These projects are categorized into contract amounts greater than and less than \$1 million.

The attached charts identify the key bid information for the specified period. The number in parenthesis indicates the number of bidders for the respective project. The most recent data were added to the original report table below, which is a brief synopsis of bid performance by year for projects greater and less than \$1 million:

<u>Year</u>	<u>Amount</u>	<u>Average Percent of Engineer's Estimate</u>	<u>Average # of Bidders</u>
2006	> \$1M	105%	N/A
2006	< \$1M	100%	N/A
2007	> \$1M	100%	N/A
2007	< \$1M	107%	N/A
2008	> \$1M	85%	8
2008	< \$1M	95%	4
2009	> \$1M	73% (January - June)	11
2009	< \$1M	53% (January - June)	10
2009	> \$1M	70% (July - December)	10
2009	< \$1M	67% (July - December)	9
2010	> \$1M	72% (January - June)	6
2010	< \$1M	85% (January - June)	7
2010	> \$1M	73% (July - December)	12
2010	< \$1M	81% (July - December)	8
2011	> \$1M	76% (January - June)	6
2011	< \$1M	86% (January - June)	8
2011	> \$1M	83% (July - December)	5
2011	< \$1M	81% (July - December)	6

Nearly all bids were below the engineers' estimate. Two bids exceeded the estimate by nine percent each with marginal differences: Superior Courts 7th and 8th Floor remodel (a near \$380,000 difference) and Golder Ranch Drive Bridge at CDO Wash Deck Rehabilitation (a \$49,000 difference).

Additional Contract and Bid Awards

In addition to the attached awarded bids, there were additional contracts awarded the last half of 2011. The six Job Order Contracting (JOC) master agreements awarded during this reporting period are shown in the table below. Some of these JOC awards are for countywide projects; therefore, they are listed with all five Board of Supervisors Districts. The attached charts exclude these projects.

Award Date	JOC Projects	BOS District	Contracts Awarded	Total Value of Award
9/6/2011	As-needed sports/security lighting and installation services (MA-PW-12*70)	1,2,3,4,5	2	\$ 1,500,000
9/20/2011	Wastewater Plant Construction and Rehabilitation Repair Services (MA-PO-DNC*1)	1	1	\$ 1,500,000
11/1/2011	Traffic Signal, Road Intersection, Paving and Drainage Improvements (MA 12*226-1)	1,2,3,4,5	5	\$ 3,000,000
11/15/2011	Flood Control and Drainage Improvements (MA-PO DNC*23-3)	1,2,3,4,5	1	\$ 2,000,000
12/6/2011	As-Needed Roofing Services (MA-12*248-1)	1,2,3,4,5	4	\$ 800,000
12/13/2011	Wastewater Conveyance Repair, Rehabilitation and Construction-small pipe (MA-PO-DNC*27-06)	1	1	\$ 100,000
Total			14	\$ 8,900,000

The \$3 million traffic signal, intersection, paving and drainage improvements project is a new JOC award; however, some of the above awards extended existing contracts with additional funding. For example, the Wastewater Plant Construction and Rehabilitation Services project received an additional \$1.5 million to the existing contract in September 2011 to continue construction and repairs. On November 15, another JOC contract was increased by \$2 million to continue flood control and drainage improvements.

The following construction contracts totaling nearly \$48.6 million were also awarded within the last six months of 2011. These contracts are not included in the attached bid information; however, they are included in the overall economic impact analysis mentioned later in this report.

Award Date	Projects	BOS District	Contracts Awarded	Total Value of Award
9/20/2011	UPRR Construction Agreement for the reconstruction and widening of Valencia Road overpass grade separated road crossing (RTA #24)	2	1	\$ 325,000
12/20/2011	Joint Justice/Municipal Court Complex Phase I Construction (GMP contract)	5	1	\$48,252,587

The following projects were bid in late December. They will appear in the July 2012 bid tabulation report, because they were approved (or approval is pending) in 2012.

Bid Award/	Solicitation/ IFB No.	Projects	BOS District	Engineers' Estimate	Bid Award
12/20/2011 (approved 1/10/12)	24262	Pima County UPH Family Practice and Diabetes Clinics	2	\$ 2,145,246	\$ 1,720,200
12/20/2011 (award pending)	25766	Sheriff's Dept. Annex Building HVAC Equipment Replacement	2	\$ 88,000	\$ 113,500
12/21/2011 (award pending)	17940	La Cañada, River to Ina Improvement Project (4LCRRI)	1	\$17,986,390	\$18,750,747 (pending review)
Total					\$20,584,447

Economic Impact

There were 21 bid awards totaling \$79.5 million in 2011. The total awards for first half of 2011 is \$40.5 million and \$39 million for the second half. This amount is \$33 million more than the \$46.3 million reported in 2010. These bid totals do not include projects using alternative delivery methods or the projects identified in Additional Contract and Bid Awards section of this memorandum.

The economic impact of Pima County's capital program, using the American Recovery and Reinvestment Act (ARRA) of 2009 formula of "\$92,000 in construction expenditures equals one man-year," is 440 construction and construction-related jobs for the first six-month period ending June 30, 2011. The second six-month period ending December 31, 2011 resulted in 424 jobs, totaling an estimated 864 jobs created in 2011.

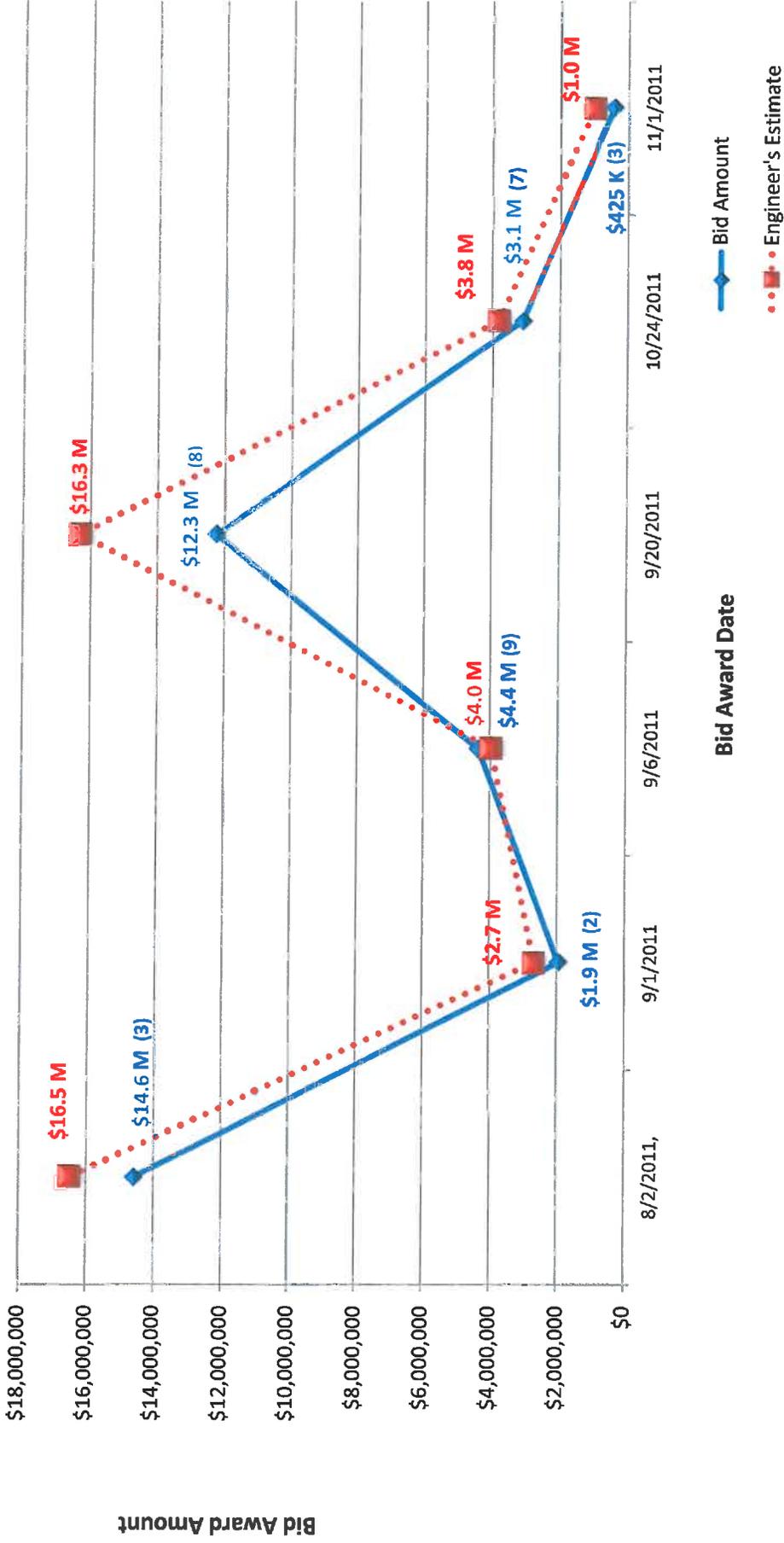
Since this analysis began in 2006, there were 174 awarded construction projects (including alternative method delivery contracts, such as CMAR, GMP, JOC, etc.), totaling nearly \$882 million in Pima County's Capital Improvement Program, creating approximately 12,269 jobs in the region.

NMS:lsm

Attachments

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

**Engineer's Estimate vs. Bid Award
Construction Projects
More than \$1 Million
(July 1, 2011 through December 31, 2011)**

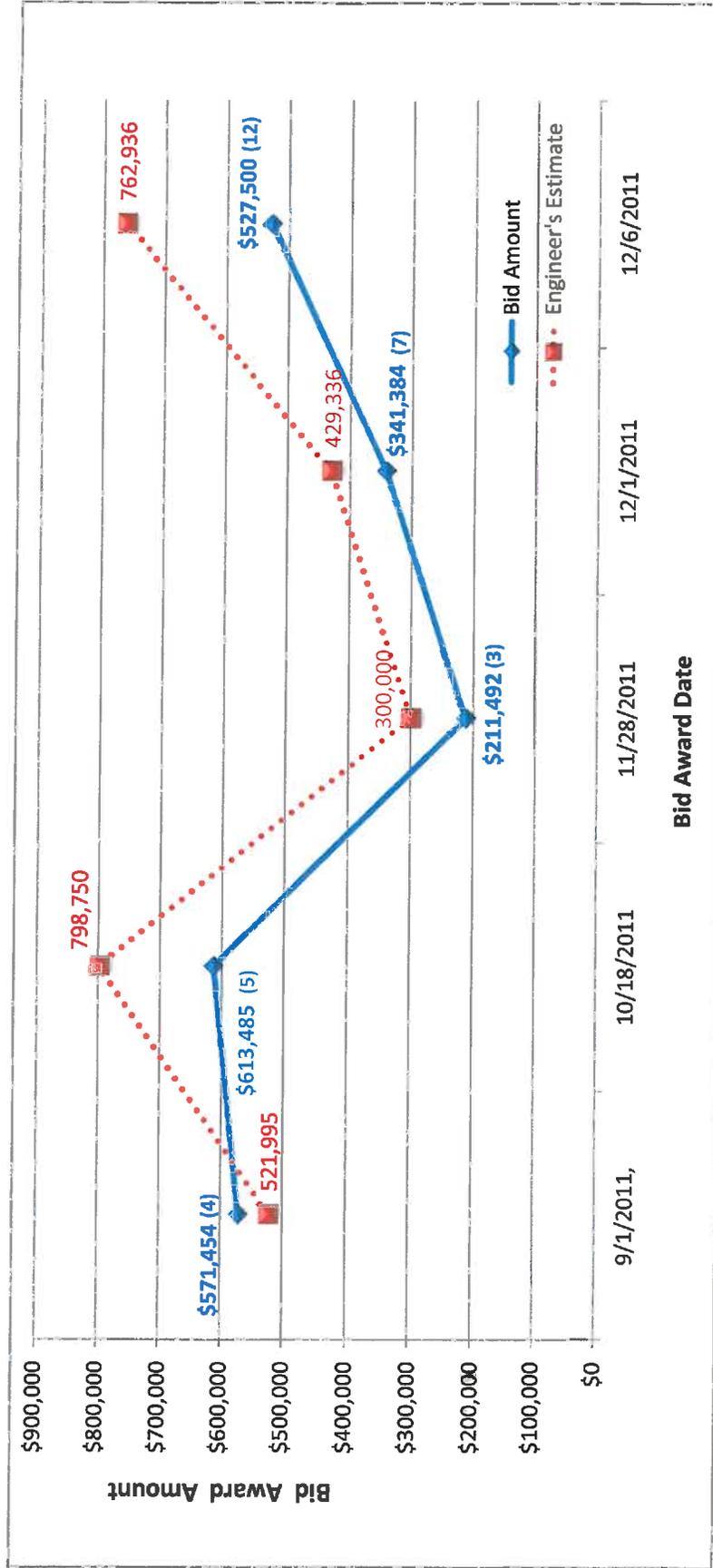


**Engineer's Estimate vs. Low Bid
Construction Projects
More than \$1 Million
(July 1, 2011 - December 31, 2011)**

Dept	Solicitation/ IFB No.	Project	BOS District	Bid Award Date	No. of Bidders	Engineer's Estimate	Bid Amount	Difference (Above/Below Estimate)	Bid % of Engineer's Estimate
FMD	1103210	Pima County Emergency Communications and Operations Center (PECOC, 3434 E. 22nd St.	2	8/2/2011,	3	16,500,000	\$14,584,994	1,915,006	88%
RWRD	1103012	Forty Niners Country Club CIPP Rehabilitation Project	4	9/1/2011	2	2,700,000	\$1,965,202	734,798	73%
FMD	1103797	Pima County Superior Courts 7th and 8th Floor Remodel	5	9/6/2011	9	4,000,000	\$4,379,600	(379,600)	109%
DOT	1103934	Cortaro Farms/Magee Road: Thornydale Rd to Mona Lisa Rd (4MCFTL)	1	9/20/2011	8	16,297,681	\$12,255,740	4,041,941	75%
RFCD	1103883	Pantano Wash Permanent Bank Stabilization, Phase II (5PWSTV)	4	10/24/2011	7	3,817,490	\$3,116,992	700,498	82%
RWRD	1100759	Avra Valley WRF Security Improvements Project	3	11/1/2011	3	1,000,000	\$425,000	575,000	42%
TOTAL						\$44,315,171	\$36,727,528	\$7,587,643	
AVERAGE						5			83%

Engineer's Estimate vs. Low Bid Construction Projects Less than \$1 Million

(July 1, 2011 - December 31, 2011)



**Engineer's Estimate vs. Low Bid
Construction Projects
Less than \$1 Million
(July 1, 2011 through December 31, 2011)**

Dept	Solicitation- IFB No.	Project	BOS District	Bid Award Date	No. of Bidders	Engineer's Estimate	Bid Amount	Difference (under Engineer's estimate)	Bid % of Engineer's Estimate
DOT	1103853	Golder Ranch Drive Bridge At CDO Wash Deck Rehabilitation (4RTGRB)	1	9/1/2011,	4	521,995	\$571,454	(49,459)	109%
DOT	15036	City of South Tucson Neighborhood Streets Chip Seal/South Tucson Project	2	10/18/2011	5	798,750	\$613,485	185,265	77%
RWRD	16225	ROMP Central Laboratory Security Improvements	1	11/28/2011	3	300,000	\$211,492	88,508	70%
DOT	10093	Laguna Elementary School-Shannon Rd (4LEMSI)	1	12/1/2011	7	429,336	\$341,384	87,953	80%
FMD	19095	UPH Hospital GI Suite for Pima County (BGILAB)	2	12/6/2011	12	762,936	\$527,500	235,436	69%
TOTAL					31	\$2,813,017	\$2,265,314	\$547,703	
AVERAGE					6				81%