



MEMORANDUM

Date: September 13, 2011

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

From: C.H. Huckelberry
County Administrator 

Re: **County Construction Projects and Job Creation**

Pima County continues to implement voter authorized bond programs and has constructed a number of facility improvements throughout the County. These projects range from modifications and expansions of wastewater facilities to lighting of ballparks. The attached comparison memorandum indicates that for the first six months of 2011, nearly \$41 million in improvements were contracted.

The memorandum also compares project bid results as a percentage of the engineer's estimate during the period 2006 through June 2011. During 2006 and 2007, projects were costing more than estimated; today, they are costing approximately 20 percent less than the engineer's estimate. This is a result of increased construction market competition; hence, taxpayers are getting more for their dollars for products and improvements than they had been in previous years.

As the Board knows, the construction sector has been the most severely impacted employment sector during the prolonged recession. Since 2006, we have bid more than 160 capital projects; and based on the federal formula for calculating job creation, the County created or sustained over 3,200 construction jobs in our region. (This does not include projects for which the design/build/operate, construction manager at risk or job order contracting methodologies were used.) The County's positive impact on construction jobs is expected to continue and increase as we move into the peak phase of construction-related activity for the Regional Wastewater Reclamation Department's Regional Optimization Master Plan (ROMP) and a possible next phase of the Joint Justice and Municipal Courts Complex construction.

CHH/dph

Attachment

c: John Bernal, Deputy County Administrator for Public Works
Nanette Slusser, Assistant County Administrator for Public Works Policy
George Widugiris, Director, Procurement Department




MEMORANDUM

Public Works Administration



DATE: August 15, 2011

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 between January 1, 2011 and June 30, 2011. There were 10 projects bid totaling over \$40.5 million during this period. These projects are categorized into contract amounts less than and greater than \$1 million.

The attached chart identifies the bids by bid date. The numbers of bidders are in parenthesis. The most recent data was added to the original report table below. This is a brief synopsis of bid performance by year for projects greater and less than \$1 million:

<u>Year</u>	<u>Amount</u>	<u>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

These bid totals do not include projects using alternative delivery methods, such as job order contracting, construction manager at risk. Nearly all project bids were below the engineers' estimate, except one for \$661,774: Winston Reynolds Manzanita Park Electrical Sports Lighting Upgrades. The responsive low bid exceeded the engineer's estimate by nearly \$52,000.

In addition to these contracts, there were other project contracts approved during this reporting period. On March 8, 2011, the Board of Supervisors approved an award of contract for the Joint Court Complex Construction Manager at Risk project in the amount not expected to exceed \$40,500,000, which includes \$500,000 for pre-construction services. There were also eight job order contracting (JOC) awards for projects greater and less than \$1 million. These JOCs are shown in the following table.

C.H. Huckelberry, County Administrator

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

August 15, 2011

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Award Date	JOC Type	# Respondents	Contracts Awarded	Amount for Each Award
1-18-11	Regional Flood Control District Demolition Services for various	4	2	\$ 250,000
2-1-11	Wastewater Plant Construction and Rehabilitation Repair Services	6	2	\$2,500,000
6-7-11	Construction of the Avra Valley WRF Security Improvements	3	1	\$ 403,328
6-7-11	As-needed Historic Preservation Services	5	3	\$1,000,000

The attached documents show the total amount of bid dollars as \$40.5 million for the first half of 2011; the total for all of 2010 is \$46.3 million. This total does not include the design-build-operate, construction manager at risk, and the JOC awards listed above.

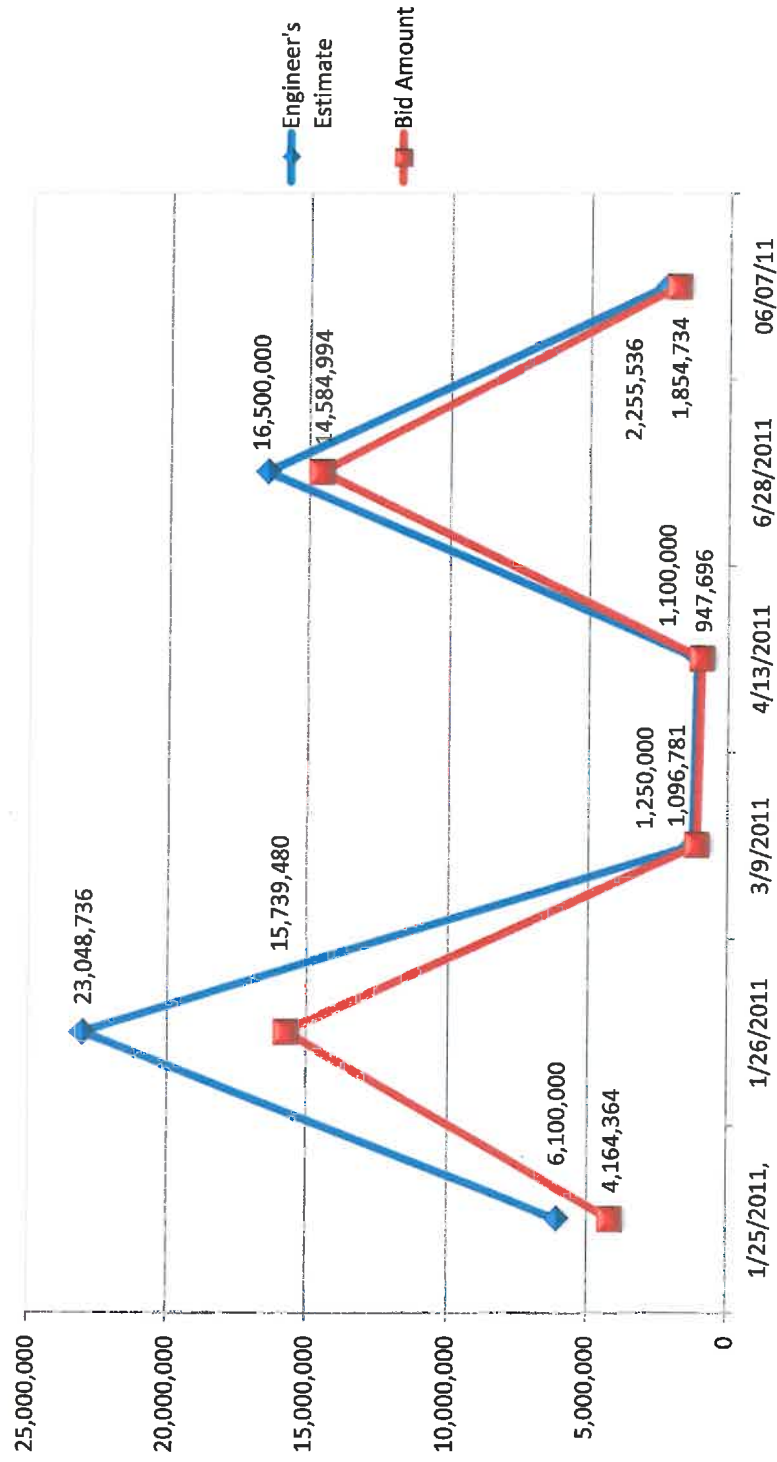
The economic impact of Pima County's capital program, using the American Recovery and Reinvestment Act formula of "\$92,000 in construction expenditures equals one man-year," is 440 construction and construction-related jobs for the first six-month period ending June 30, 2011. There were 121 more jobs than the same six-month period in 2010. Since beginning this analysis in 2006, Pima County's capital program placed 160 projects for bid, excluding DBO, CMAR, and JOC contracts, and it has created an estimated 3,221 jobs in the region.

NMS:ism

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

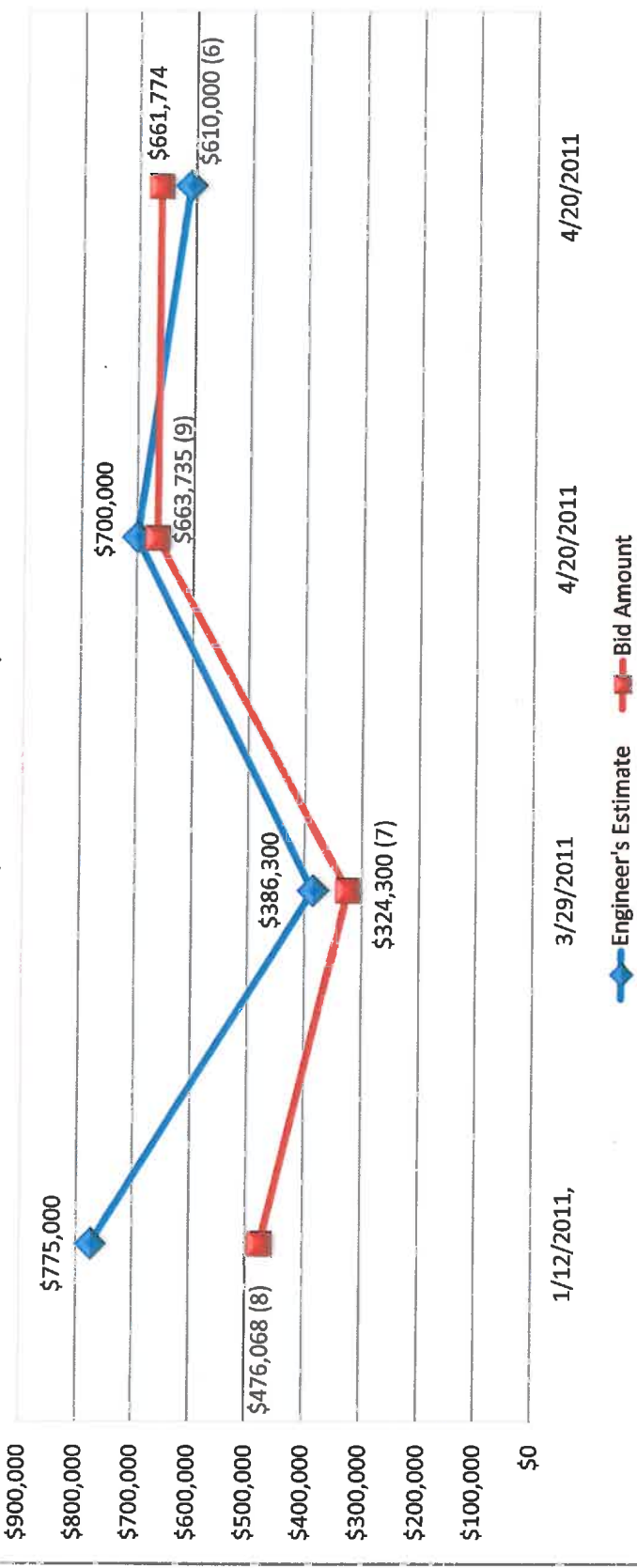
Engineer's Estimate vs. Approved Bid
 Construction Projects Greater than \$1M
 January 1, 2011 - June 30, 2011



Engineer's Estimate vs. Approved Bid
Construction Projects Greater than \$1 M
(January 1, 2011 - June 30, 2011)

Dept	Solicitation/ IFB No.	Project	Bid Date	BOS/ Procurement Approved	No. of Bidders	Engineer's Estimate	Bid Amount	Difference (under Engineer's estimate)	Bid % of Engineer's Estimate
RWRD	1101350	ROMP Central Laboratory Complex Site Civil Project	1/25/2011	02/02/11	4	6,100,000	4,164,364	1,935,636	68%
DOT	1101108	Magee Road Improvements: Mona Lisa to La Cañada (4RTMLI)	1/26/2011	02/15/11	11	23,048,736	15,739,480	7,309,256	68%
FMD	1101654	Central Plant Retrocommissioning	3/9/2011	04/05/11	3	1,250,000	1,096,781	153,219	88%
NRPR	1101798	Southeast Regional Park & Recreational Shooting Range Phase II-A ¹	4/13/2011	05/10/11	6	1,100,000	947,696	152,304	86%
FMD	1103210	Pima Communications and Operations Center	6/28/2011	08/02/11	3	16,500,000	14,584,994	1,915,006	88%
DOT	1103176	Alvernon Way/ Valencia Road Intersection Improvements (4RTAWV)	06/07/11	06/29/11	8	2,255,536	1,854,734	400,802	82%
TOTAL					35	\$50,254,272	\$38,388,050	\$11,866,222	76%
AVERAGE					6				

Engineer's Estimate vs. Approved Bid
Construction Projects Less Than \$1 M
January 1, 2011 - June 30, 2011



1/12/2011, 3/29/2011, 4/20/2011, 4/20/2011

◆ Engineer's Estimate ■ Bid Amount

Engineer's Estimate vs. Approved Bid

Construction Projects Less than \$ 1 Million
January 1, 2011 - June 30, 2011

Dept	Solicitation/ FB No.	Project	Bid Date	No. of Bidders	Engineer's Estimate	Bid Amount	Difference (under Engineer's estimate)	Bid % of Engineer's Estimate
FMD	1101144	Audio Visual Equipment Pima County Psychiatric Hospital and Crisis Response Center	1/12/2011	8	\$775,000	\$476,068	298,932	61%
FMD	1101396	Richey Blvd Fuel Tank Replacement	3/29/2011	7	\$386,300	\$324,300	62,000	84%
FMD	1102973	Arthur Pack Park Electrical and Sports Lighting Upgrades	4/20/2011	9	\$700,000	\$663,735	36,265	95%
FMD	1103029	Winston Reynolds Manzanita Park Electrical Sports Lighting Upgrades	4/20/2011	6	\$610,000	\$661,774	(51,774)	108%
TOTAL			30	\$2,471,300	\$2,125,877	\$345,423		
AVERAGE			8					86%