



Memorandum

To: Pima County Small Business Commission

From: Tom Ward, Chairman

Date: February 26, 2010

Subject: County Administrator's Recommendation to the Board of Supervisors
Regarding Award of Three Professional Services Contracts

You will recall at our February 18, 2010 meeting, we voted to request that the Board of Supervisors approve three professional services engineering contracts that were continued by the Board from January 5, 2010 to March 2, 2010. This request was transmitted to the County Administrator and the Board by my memorandum of February 19, 2010.

On that same date, the County Administrator sent a memorandum to the Board recommending the award of the two large Valencia projects, but the resolicitation of the much smaller Camino de Oeste project. His reasoning was that such resolicitation would provide smaller professional engineering firms with another opportunity to receive a contract award.

In my discussions with both George Widugiris and Priscilla Cornelio on this subject, they both agreed, particularly since the original solicitation tied all three projects together which might have discouraged some smaller firms from bidding.

In addition, after my discussion with the County Administrator he graciously sent me another memorandum expanding on his reasoning for the resolicitation. Both memoranda are attached for your information.

I concur with the County Administrator's recommendation for the smaller Camino de Oeste project. While it is true that any firm, large or small, can seek this award, it is certainly possible that a smaller firm may be recommended – particularly since the project is no longer tied to the large Valencia projects.

Small Business Commission

February 26, 2010

Page 2

I believe the Commission can take pride in the role it has played, to date, in this matter. The Board's original continuance, our public hearing and the County Administrator's recommendation are evidence that there is a new focus on small business in A & E procurement.

Attachments (2)

- c: The Honorable Chairman and Members, Pima County Board of Supervisors
Pima County Small Business Commission
C.H. Huckelberry, County Administrator
John Bernal, Deputy County Administrator for Public Works
George Widugiris, Director, Procurement Department
Priscilla Cornelio, Director, Transportation Department
Tom Moulton, Director, Economic Development and Tourism Department
Aurora Hernandez, Recording Secretary, Small Business Commission



MEMORANDUM

Date: February 19, 2010

To: Tom Ward, Chair
Pima County Small Business Commission

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: **Consultant Selection for Regional Transportation Authority Projects**

Attached please find a Board of Supervisors Memorandum regarding selection of consultants for Regional Transportation Authority (RTA) projects under the implementation supervision of the County. Two projects that were previously continued by the Board are recommended for award. A third project is to be re-solicited, which will afford smaller professional engineering firms the opportunity to more directly compete for County contracting opportunities related to professional services.

The recommendation I have made to the Board for award should resolve any concerns of the RTA regarding potential delay in implementing RTA projects under the implementation supervision of Pima County.

CHH/mjk

Attachment

c: The Honorable Chairman and Members, Pima County Board of Supervisors
Gary Hayes, Executive Director, Regional Transportation Authority
John Bernal, Deputy County Administrator for Public Works
Priscilla Cornelio, Director, Transportation



Board of Supervisors Memorandum

March 2, 2010

Continuance of Solicitation 1000585 from January 5, 2010 Agenda

Background

At the January 5, 2010 Board of Supervisors meeting, the Board postponed the consultant selection item for Solicitation 1000585 until March 2, 2010, primarily to allow time for receipt of information from the Small Business Commission (SBC) regarding their findings and recommendations as to the need for consideration of awarding contracts with more emphasis on small businesses. The Board expressed concerns with the present consultant selection process and whether it adequately addresses inclusion of small businesses. It is important to note that the selection process used for this solicitation followed Board adopted procedures as defined in Policy D29.1 for professional services, which have been developed with extensive input from the professional services community.

The SBC held a well-attended public hearing on the issue of small business participation and the consultant selection process on February 4, 2010 and is scheduled to provide comments to the Board in the near future. Public comments focused on statutory authority to establish local and small business set-asides. There was also a balanced discussion of the evolution of locally-based consulting companies that were subsequently acquired by larger national firms. Both large and small firms were represented in the discussion. Observations were shared by the public of the need for more projects to spread the work to more companies. The attached memorandum from the Department of Transportation identifies the cost consequences of designing shorter segments of a continuous roadway improvement project versus planning and designing one larger project. A certain amount of additional cost can be rationalized to assist with making work available to more companies. However, the ultimate consequence is increased cost to the "owner," Pima County, which must also be addressed and moderated to the extent possible.

It is premature to speculate what actions the Commission will recommend and how the Board will want to incorporate their recommendations into the existing consultant selection process. If indeed there are changes recommended to the selection process, it is anticipated that the consultant community will ask for additional discussion before amendments to the current procurement processes are finalized. As a result, it may take several months to fully address this issue, which will result in significant delays to pending contract awards.

An evaluation of the impacts from this recent Board action was completed, and the postponement in the project awards will have a detrimental impact on several consultants (both small and large) as well as the Department of Transportation's (DOT's) Capital Improvement Program (CIP) project schedules and staff workloads. In addition, it will delay DOT ability to proceed with advertisement to retain additional consultants for two other pending Regional Transportation Authority (RTA) projects.

Impact on Consultants

The three prime consultants recommended in Solicitation 1000585: PSOMAS, HDR, and AECOM have a significant Tucson-based workforce and were small local firms until they were acquired by national firms. The combination of all firms that were selected on these three projects (prime consultants and sub-consultants) employ over 100 people here in Pima County. Unfortunately, a number of these firms have been forced to go through layoffs and/or reduced work hours because of the poor economy and lack of engineering projects. As an example, PSOMAS' workforce previously totaled 120 employees; it now has 55 employees who are working reduced hours due to lack of work. Observations that small businesses are suffering worse than the larger firms are not necessarily accurate. It is a fact that all consulting engineering firms are struggling in this poor economy due to the combination of minimal private development work, and the local jurisdictions having only a few projects due to a lack of funding.

The continued delay of contract awards to these recommended firms will have a ripple effect which, in turn, will impact small firms. From these project awards, approximately \$1.5 million is allocated to five qualified sub-consultant firms on the three projects whose awards have been delayed. These sub-consultants are certified Minority Business Enterprise/Women Business Enterprise firms, and qualify as Small Business Enterprise firms as well. This dollar amount is based on the preliminary estimates for the three projects and information contained in the proposals. Since architectural and engineering services are procured through a qualifications-based approach, the specific contract dollar values are not known at this time.

Impact on the Department of Transportation

In addition to the impact on the various consulting firms, the current bidding climate is very favorable, and the DOT has been expediting the design of a number of projects in order to take advantage of competitive construction pricing. This acceleration of large capital projects has been a significant benefit to the consulting and contracting communities by making several DOT projects available for design and construction.

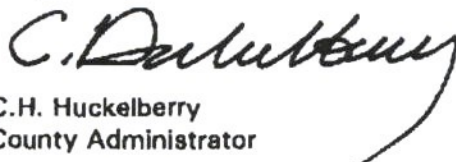
Recommendation

It is recommended that the Board direct the following actions to allow for additional Pima County work to be made available to the local consulting community:

1. Award the Valencia: Alvernon to Wilmot; and Valencia: Ajo Highway to Mark Road projects to the highest scoring firms, PSOMAS and HDR, respectively. Both of these projects are high-priority RTA projects, and both consultants have a proven track record of delivering high-priority, complex projects within compressed timelines. This action will also result in the awarding of the majority of the \$1.5 million of consulting work to small and minority firms that are sub-consultants on these projects.
2. Direct the DOT to reissue, through professional solicitation, the Camino De Oeste: Los Reales to Valencia project to provide an opportunity for local firm participation in a project of smaller scope.
3. To avoid delay to RTA funded projects, authorize initiation of the consultant selection process for the Valencia Road: Wilmot to Kolb as well as Magee Road: La Cañada to Oracle projects following existing procedures.
4. Defer solicitation and award of additional DOT contracts until the SBC recommendations are evaluated by the Board of Supervisors.

These actions will allow the DOT to move forward with delivery of the RTA projects while at the same time providing contracting opportunities for both large and small consulting engineering firms.

Respectfully submitted,



C.H. Huckelberry
County Administrator

CHH/mjk February 19, 2010

Attachment

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



MEMORANDUM

Date: February 24, 2010

To: Tom Ward, Chair
Pima County Small Business Commission

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: ~~My Recommendation to the Board of Supervisors Regarding Award of Three Consulting Engineering Contracts~~

As you know from our conversation today, I recommended the Board award two of the three contracts and reissue the solicitation for the third, ~~smaller contract~~ --Camino de Oeste: Los Reales to Valencia.

The only reason I recommended that the Board reissue this solicitation was to provide smaller professional engineering firms with another opportunity to receive a contract award recommendation through the County's professional services procurement policy. Obviously, any firm, large or small, can compete for this contract; however, given that its scope is significantly smaller than the two contracts being recommended by staff for award on the March 2, 2010 Board agenda, it is certainly possible this solicitation will result in a smaller, local engineering firm being recommended for the award.

CHH/mjk

Attachment

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