

February 2, 2010

Pima County Small Business Commission
c/o Auroa Hernandez
Pima County Administration Building
130 W. Congress St., 1st Floor
Board of Supervisors Hearing Room
Tucson, Arizona 85701

Dear Commissioners:

Thank you for the opportunity to address the Pima County Small Business Commission regarding the County's Quality Based Selection process. I would like to comment on the processes, what constitutes a locally owned business; and minority and women-owned local businesses.

HDR feels that the County has made great strides in procuring professional services under the current QBS process. Under this process, Pima County has the ability to select the best qualified providers of engineering services. Upon selection of the firm (that was judged best qualified for the project) the County is able to negotiate a price. If a price is not negotiated successfully, the County turns to the next best qualified firm and repeats the negotiation process. This process enables the County to get the best work product at a fair price.

Another significant benefit using the QBS process is the County has the ability not to select firms that have performed poorly in the past. In the civil engineering field, poor quality work creates delays and added costs. Rework on design or lower quality plans in the field translate to higher construction cost and thus more of our limited taxpayer monies. In short, the QBS process saves Pima County's tax payers money.

There are recent complaints about firms from outside of Pima County being awarded civil engineering design contracts. This view is misguided. Three of the most competitive local firms have been purchased by a regional or national firm in the past eight years. This is a national trend that benefits the local firm, the larger national or regional company, and the public. On complex projects it enables local firms to draw on outside expertise to augment local talent. It also enables local competition on projects that would have potentially been awarded to a firm outside Pima County and often Arizona. Engineering for the newly completed I-10 Downtown widening was designed almost exclusively in Tucson. The design of the modern streetcar is being prepared in Tucson. In both cases the local firms have drawn on limited outside expertise and augmented the teams with local subcontractors. For substantial projects that do not require national expertise, a multitude of local subcontractors are used to fulfill technical services. Public involvement, surveying, geotechnical services, landscaping architects, and a multiple of other

HDR Engineering, Inc.

5210 East Williams Circle
Suite 530
Tucson, AZ 85711-4459

Phone: (520) 584-3600
Fax: (520) 584-3680
www.hdrinc.com

disciplines are subcontracted to primarily local disadvantaged businesses. Not only is this a good practice for Pima County, our local experience in all of these fields is top-notch and very competitive.

These local firms that have been branded national firms, all have substantial offices in Pima County with all employees living in Pima County; paying local taxes, buying local goods, and serving our community. In several cases these firms are employee owned which translates to a portion of any profit being earned staying in Pima County. Firms with substantial local offices function as local firms and should be appreciated as such by the community.

Thank you again for the opportunity to express our opinion on this matter.

Sincerely,

HDR ENGINEERING INC.



Michael Barton, P.E., PTOE

Vice President

Senior Professional Associate



Michael T. Johnson, P.E., R.L.S.

Vice President

Professional Associate

MB/MTJ

February 2, 2010

Ms Aurora Hernandez
Recording Secretary
Pima County Small Business Commission
33 N. Stone Avenue, Ste. 700
Tucson, AZ. 85701

RE: Pima County Professional Services Procurement Procedures

Dear Ms Hernandez and Commission Members:

There has been much interest in the community and consequently in the media regarding the award of projects through Pima County DOT to large, national engineering firms, at the exclusion of the local companies. This is a very true situation, and has been ongoing for many, many years. I have been a part of the engineering community in Tucson for nearly 40 years and have seen this time and time again. This time is no different; however, perhaps the outcome will be different.

The misunderstanding that seems to repeat itself in the media, and in the responses from the public in the internet response format is that, the small businesses want the large, out of town companies to "go away". This is not necessarily the case. The small businesses just want a fair portion of the market and a chance to compete on a level playing field with the large conglomerates. It is true that the same three large firms seem to get more than their fair share of work. It is also probably true, that the end product produced by these firms is no better than plans and construction documents prepared by an engineering team that consists of local firms with different areas of expertise.

The recent selection of the "usual" three large firms by PCDOT for two large projects and one median size projects seems to reinforce the trend over the last several years. Why didn't DOT break these projects into smaller projects and spread some of the work around to other firms? This certainly would have provided a chance for some of the local firms to compete and perhaps maintain staff levels, and keep the doors open in these trying economic times. It would also allow for more of the taxpayer's dollars to stay in Pima County. The large firms may employ Pima County residences, but the profits clearly go out of town, as do large portions of their fees on these local projects, for work that is performed by their staff members that live elsewhere.

It's time that something is done about this situation and a more equitable solution is made for the distribution of these local projects. The local firms have the same qualifications as the large firms, but also have a local stakeholder's mentality and attitude. Small local firms that used to be the backbone of the engineering community in Tucson and Pima County are a dying breed. Let's not bury them just yet.

Thank you for allowing this input into an extremely sensitive issue.

Jerry L. Pelland

February 2, 2010



Mr. Tom Ward, Chairman
Pima County Small Business Commission
33 North Stone Avenue, Suite 700
Tucson, Arizona 85701

Re: Pima County Professional Services Procurement Practices
February 4, 2010 Public Hearing

Dear Mr. Ward & Small Business Commission,

I own SAGE Landscape Architecture & Environmental, Inc. (SAGE) which is a 13 year old, locally founded landscape architecture and environmental services consulting firm. SAGE has always specialized in government consulting as a prime and sub consultant.

I'm in agreement with my local colleagues that Pima County's procurement practices are generally fair and are very transparent, that much of the work which goes to firms with offices in Pima County stays in Pima County and that there are opportunities for involvement as a subconsultant with national corporations. I also believe there are conditions in the current marketplace which are disproportionately impacting small local businesses and may be creating an uneven consultant selection playing field across the board. This letter will elaborate on this second point.

First, over the past few years many of the projects advertised through the RFP process have been large in scope resulting in fewer small projects advertised and awarded than in the past. These smaller projects are typically the types of projects SAGE would pursue as a prime consultant (especially if they are parks/natural resource related). Fewer small projects being advertised have reduced our firm's opportunity to prime contracts.

Second, SAGE has historically been very involved on projects as a sub consultant to larger firms on larger projects. Over the last few years however, small businesses in general are being used less as sub consultants. This may be due to several things: 1) Increasingly, many national and multi-national prime corporations are offering specialized disciplines in-house. Their objective of keeping work in-house is understandable, but the result is less representation on the team from local experts to support the specialty work (examples of locally impacted specialty disciplines here in Pima County include traffic engineering, drainage engineering, structural engineering, landscape architecture and environmental planning). 2) Several state and local agencies no longer have MWSBE or DBE goals (i.e.: ADOT) even though disparity has been proven by their own analysis. Without this incentive, large, national and multi-national corporations resist adding small Arizona based MWSBE and DBE businesses with specific local expertise. Neither of these issues have anything to do with the Pima County procurement process; however they are impacting specialty firm involvement as sub consultants on some Pima County projects.

Third, with fewer prime and sub contracting opportunities available to local specialty disciplines, there are in turn, fewer opportunities to contract with Pima County and fewer opportunities to build a portfolio of recent and relevant contracts. Those firms who have most recently worked for a given client, such as the County, inherently are best informed about current County issues and as the points in the selection process are currently structured, can be more competitive in a QBS because of this knowledge. This is potentially a slippery slope which might result ultimately in just a handful of consultants with current contracts being the best qualified to compete for more County work.

Local firms bring substantial value, knowledge and expertise unique to Southern Arizona, with a keen understanding of the areas regional, political, social, environmental and construction challenges. There are clear advantages to local business involvement in Pima County's contracts as well as to the Pima County economy and employment rate.

SAGE, with two office locations in Arizona, has municipal clients throughout the state as well as numerous procurement examples from which to draw. In my opinion, **Pima County has done a very good job through the recent years at fair and equitable procurement processes. However, small and local firms are winning Pima County work less and less as primes and/or as subconsultants which seems disproportionate.**

I believe the following practices may help level the playing field:

- 1. establish smaller scope projects with a small business set-aside;**
- 2. acknowledge the value of local participation by creating local firm preference points;**
- 3. create opportunities or points for qualified prime consulting firms who are local and have "the least amount of contracted work with the County".**

Examples include the City of Phoenix announcing last week, during their Engineering On-Call Services pre-submittal meeting, that they will be adding a small business set aside on-call by March 2010; responding to the economic climate and the many challenges smaller and local firms are facing. The Maricopa County Department of Transportation (MCDOT) also announced at a recent American Council of Engineering Companies (ACEC) meeting, that they hope to establish a small business set-aside in response to the economic impacts to smaller local, in-state firms including DBE's, SBE's and M/WBE's. The City of Tucson has, in the past, offered preference points for M/WBE, local offices and least work – on occasion, all three. The Town of Marana has a caveat in their RFPs that the office performing the work must be no more than 30 miles from Town limits.

I appreciate Pima County asking for our feedback, and offer congratulations for conducting such a transparent, open and earnest evaluation.

Best regards,

SAGE Landscape Architecture & Environmental, Inc.



Joy Lyndes, RLA
Principal

Aurora Hernandez

From: Turney, Stan [seturney@terracon.com]
Sent: Tuesday, February 02, 2010 9:40 AM
To: Aurora Hernandez
Subject: Professional Services Hearing

Ms. Hernandez

I will not be able to testify at the hearing but would like this statement entered into the record.

My firm Terracon Consultants is a national consulting engineering firm specializing in geotechnical, materials and environmental engineering services with an office in Tucson since 1992. I have personally practiced in Tucson and done business with Pima County since 1978. We employ 22 in Tucson all of whom are employee owners as we are owned by our ESOP and individual employee shareholders. In other words our receptionist who is paid a fairly low wage shares in the growth of equity and the profit from the corporation. This is generally the way most of the larger engineering consultants are organized. Most of the small business, minority firms in the community are solely owned by the founder or Principal. No one but that individual shares in the growth in equity and the profit from that corporation.

Since we are typically a sub-consultant I want to give a different perspective on how the current extra points given for MBE\WBE firms has an adverse effect on our practice and in fact that of the small, local civil\structural design firms. The current system insures that to achieve the maximum MBE\WBE points services like ours (geotechnical) public outreach, right-of-way and survey services etc. all go to the same two or three firms. In the case of the geotechnical services it is generally a firm from Phoenix that has a store front in Tucson or firms with a Principal who comes from another country to attend the University and stays here to practice. This not only excludes firms like ours from teaming on the projects but eliminates the MBE\WBE civil\structural design consultants from being on the team because the primes have enough points with the non-design services. For this very reason ADOT a number of years ago excluded the non-design services such as geotechnical, public outreach and survey from counting towards the MBE\WBE points. This was fully supported by ACEC and the small, local design consultants who were never getting a chance to team on the larger more complex work.

In my opinion the County process is more professional than it was in the " good old days" when the Board not the staff made the selections. I would however make the suggestion that no MBE\WBE points be awarded for non-design services thus eliminating the monopolistic tendency for those services and also opening it up for more teaming opportunities for the MBE\WBE small ,local civil\structural design firms.

Also I think everyone needs to realize that there has been much consolidation in our industry and just because a firm is national or regional in scope does not mean the local management and staff do not have the same " ownership" in the community as a single office firm with the Principal as the sole owner. That horse left the barn long ago.

Yours truly;

Stanley Turney, P.E.
Senior V. P.

Terracon

355 South Euclid, Suite 107 | Tucson, Arizona 85719
P 520-770-1789 | F 520-792-2539 | M 520-631-0216
seturney@terracon.com | www.terracon.com

Terracon provides geotechnical, environmental, construction materials, and facilities consulting engineering services delivered with reliability, responsiveness, convenience, and innovation.

This electronic communication and its attachments are forwarded to you for convenience. If this electronic transmittal contains Design Information or Recommendations and not just general correspondence, Terracon Consultants, Inc., and/or its affiliates ("Terracon") will submit a follow-up hard copy via mail or delivery for your records, and this hard copy will serve as a final record. In the event of conflict between electronic and hard copy documents, the hard copy will govern. This e-mail and any attachments transmitted with it are the property of Terracon and may contain information that is confidential or otherwise protected from disclosure. The information it contains is intended solely for the use of the one to whom it is addressed, and any other recipient should destroy all copies.



McGann & Associates

Landscape Architects and Planners

6814 North Oracle Road, Suite 210, Tucson AZ 85704 Tel: 520-297-9540 Fax: 520-297-9545 www.mcgannland.com

February 2, 2010

Mr. Tom Ward, Chair
Pima County Small Business Commission
c/o Pima County Procurement Department
130 West Congress
Tucson, Arizona 85737

Ref: Pima County Procedures for Selecting and Contracting with Design and Engineering Firms for Professional Services

Dear Tom,

I will not be able to participate in the hearing scheduled for February 4, 2010. Please consider these written comments in addition to the comments you receive at the hearing.

McGann & Associates is local landscape architectural firm. Established in 1984, the firm has been providing professional services to both public and private sector clients for the past 25 years. We have had the privilege of working with Pima County and hope to do so in the future. We strongly encourage Pima County to support firms that have made a long-term commitment to our community. Specific recommendations related to the award of professional service contracts are as follows.

1. WE SUPPORT THE QUALIFIED CONSULTANT LIST (QCL) SYSTEM AND RECOMMEND THAT IT BE RETAINED.

This system is fair and efficient. It eliminates the need for design consultants to prepare a Statement of Qualifications for each and every project. It also allows the County to match the expertise of specific firms with the requirements of a particular project. We recommend that it be retained in its current form.

2. WE BELIEVE THAT PREFERENCE SHOULD BE GIVEN TO FIRMS THAT HAVE AN ESTABLISHED LOCAL PRESENCE.

While we encourage contracting with local firms, we do not object to national firms with local offices being awarded design and engineering contracts, provided they have an fully-staffed office in Pima County, employ local residents, utilize the services of local subconsultants, and agree to perform the work locally. Perhaps a two-year (minimum) presence in Pima County should be established as a threshold for consideration as a "local" firm.

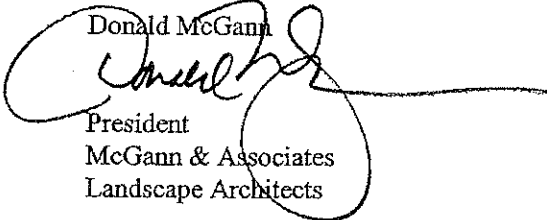
We do object to the award of design and engineering contracts to firms that do not have a local office or who maintain an office in Pima County for the duration of a project only.

Mr. Tom Ward
February 2, 2010
Page 2

3. **THE AWARD OF CONTRACTS TO FIRMS WITH NO LOCAL PRESENCE SHOULD OCCUR ON RARE OCCASION.**

While there may be occasions where a project requires a specific area of expertise that cannot be found locally, our experience has been that this is seldom the case. Absent such a requirement, we do not believe that firms without a local presence should be awarded Pima County contracts. There are short and long-term benefits that accrue to the community from the employment of local firms. We strongly encourage Pima County to utilize local experience and expertise whenever possible.

Your consideration of these comments is appreciated.

Donald McGann

President
McGann & Associates
Landscape Architects



**CMG DRAINAGE
ENGINEERING, INC.**

CLINTON M. GLASS, P.E., PRESIDENT

clint@cmgdrainage.com

3555 N. MOUNTAIN AVE. P.O. BOX 64880 (MAIL) TUCSON, AZ 85728 PHONE (520) 882-4244 FAX (520) 888-1421

February 2, 2010

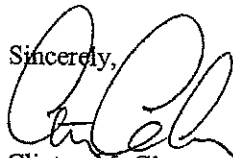
Pima County Small Business Commission
Attn: Mr. Thomas Ward, Chairman
33 N. Stone Ave, Suite 530
Tucson, AZ 85701

Subject: Professional Services Procurement Practices

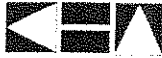
Dear Commissioners:

CMG Drainage Engineering, Inc. is a small civil engineering company headquartered in Tucson and in operation since 1986. During this time we have seen several changes in the local government agency procedures for consultant selection and in general, we support those changes including the Qualifications Based Selection process. However, we encourage the commission to recommend further measures to insure that small local businesses are given a better opportunity to compete for government contracts in this community.

Sincerely,



Clinton M. Glass



Kimley-Horn
and Associates, Inc.

■

2210 E. Fort Lowell
Suite 200
Tucson, Arizona
85719

Mr. Tom Ward, Chair
Pima County Small Business Commission
33 N. Stone Ave, Suite 700
Tucson, AZ 85701

Re: Pima County Professional Services Procurement Practices

Dear Chairman Ward and Commission Members:

As the Commission prepares to advise the Board of Supervisors on Pima County professional services procurement practices, I offer the following points for your consideration.

- While Kimley-Horn is a national firm, our Tucson office has been a local business for nearly 12 years since opening in August 1998. Our local staff includes 20 full-time employees, each a resident, voter, and tax payer of Tucson or Pima County.
- The nature of the planning and engineering projects performed in our Tucson office requires that our local staff be supplemented with other local firms including minority and woman-owned businesses. It is not uncommon to allocate 40 percent of a project budget to local subconsultants to supplement our local resources.
- The local Kimley-Horn staff strongly supports the Pima County's Quality Based Selection (QBS) process as a fair and equitable way for procuring professional services that maximizes value to the community.

I have lived and worked in Tucson as professional engineer for over 25 years. I remember the time before Pima County adopted the Quality Based Selection process. Pima County is to be congratulated for adopting the current QBS process and I urge you to support it in your response to the Board of Supervisors on this important subject.

Very truly yours,

KIMLEY-HORN AND ASSOCIATES, INC.

David D. Perkins, P.E.
Senior Vice President

■

TEL 520 615 9191
FAX 520 615 9292

February 3, 2010

Mr. Tom Ward, Chair
Pima County Small Business Commission
33 N. Stone Ave, Suite 700
Tucson, AZ 85701

Re: Pima County Professional Services Procurement Practices

Dear Chairman Ward and Commission Members:

The undersigned local firms each are headquartered outside of Tucson, and we believe that there are some important points for the Commission to consider as it prepares to advise the Board of Supervisors on Pima County professional services procurement practices.

1. **Qualifications Based Selection (QBS)** – As you know, the procurement of architect/engineering (A/E) services is prescribed by federal, state and local laws. QBS is the cornerstone of all project competitions, and we wholeheartedly support it as a fair and equitable process. QBS protects the agency and ultimately taxpayers by ensuring the selected firm has the expertise and resources to complete Pima County's projects.
2. **Local vs. National** – Our firms have been categorized as “national” even though by any rational definition we are local. We perform our project assignments with Pima County residents, who vote, live, pay taxes, educate their children and of course, work locally. We buy our supplies locally, we hire local University of Arizona graduates, we rent or own office space locally, we support local vendors, etc. All of our firms have been in Tucson for many years, some originating as small, locally owned businesses. All of our Tucson offices are “small,” according to the Commission's definitions.
3. **It Takes a Team** – The undersigned firms often act as the prime consultant on multidisciplinary teams undertaking major projects for Pima County. Our names may appear on the proposal but the reality is that no single firm is capable of providing all of the services required to design a major project. We work on teams that include small, local, minority- or women-owned businesses. In addition to the fact that we could not undertake these major projects without the small locally owned businesses, Pima County's preference for MWSBE participation helps ensure that the work is spread around by providing a legal advantage to small firms.
4. **Break up the projects into small pieces** – The thinking is that smaller projects will give smaller firms a better chance to compete. The reality is that these projects have already been broken up into small pieces through the subconsulting process described previously. The three projects that are the current subject of the Board's request for the Commission's input will utilize 14 subconsultants, 7 of

whom are small local businesses. This is really a much more cost effective and efficient method of both breaking the projects down into smaller pieces and spreading the work among many professional firms. Additionally, the Commission should consider that the limits of most of the County's larger RTA projects were approved by the voters in Pima County, limiting the ability to change their individual lengths. It is also important to keep in mind that because Pima County procures by QBS, the most qualified firms will continue to win work, regardless of the size of the projects.

In conclusion, our firms are indeed local; we enthusiastically support small business and our local economy, and we staunchly support the use of QBS procurement in Pima County. The County has appropriately reacted to the multiple disparity studies it has commissioned, resulting in an extremely fair and equitable procurement code that is considered a model by many agencies around the state. Your support of small business is very important to our community, and we appreciate the perspective you bring. Thank you for the opportunity to provide input into this important topic and for your consideration of our thoughts.

Sincerely,

AECOM – Jay Van Echo (27 employees, 10 years in Tucson)

HDR – Mike Barton (39 employees, 30 years in Tucson)

PB - Jay Koesters (13 employees, 25 years in Tucson)

Psomas – Thomas P. McGovern (55 employees, 24 years in Tucson)

URS - Bill Dehn (26 employees, 54 years in Tucson)

Kimley Horn – Dave Perkins (20 employees, 12 years in Tucson)

Arcadis – Steve Playford (7 employees, 10 years in Tucson)

Morrison-Maierle – Jason C. Mercer (8 employees, 3 years in Tucson)

TetraTech – John B. Lynch (12 employees, 29 years in Tucson)

TranSystems – Jerry Cannon (9 employees, 31 years in Tucson)

Kittleson - Jim Schoen (10 employees, 16 years in Tucson)

February 3, 2010

Pima County Small Business Commission
33 N. Stone Ave, Suite 530
Tucson, AZ 85701

Attn: Mr. Thomas Ward, Chairman

Subject: Pima County Professional Services Procurement Practices

Dear Commissioners:

We appreciate the Commissions' efforts to address this issue that is of major local economic interest. We the undersigned, represent the typical local small business professional service firms subject to the current procurement practices. There is concern regarding the serious inequities in the selection process which strongly favor large national firms at the expense of local small business. It is our desire that the Commission promote changes to the current procurement procedures, such that local small business be allowed to participate equally, with a better chance of success in the selection process.

We operate in a system of Qualification Based Selection (QBS), and while we agree with the principles of QBS, a strict interpretation and application of this process places local and small business at a major disadvantage. The majority of small Tucson firms are in repeated competition with large national firms that have satellite offices in Pima County. Many are ranked as the top firms in the nation with revenues exceeding \$7 billion. The current procurement process results in repeated selections of large national firms chosen over small local companies, even though local firms are equally qualified to perform the County professional services being solicited.

The Federal Government recognized this kind of inequity long ago and has programs in place for general Small Business as well as, Small Disadvantaged Business (SDB), Women Owned Business (WOB), Small Disadvantaged Veteran Owned Business (SDVOB), and HUB Zone business. The Small Business component alone requires a set aside of 23% of all federal contracting. The Federal program also includes SDB, WOB, SDVOB and HUB Zone for a total set aside of 39% of all federal contracting. The Architectural and Engineering professional service categories in federal contracting define small business as a firm whose average revenues over the last 3 years are less than \$4.5 million per year. All the signatories of this letter satisfy this requirement and generate revenues much below the defined limit.

In support of our request to the Commission that the Architectural and Engineering procurement process be modified, we convey the following points of concern:

1. Large national businesses with local offices play an important role in the community by providing employment, hiring local subconsultants, participating in the community, and providing quality work. However, in reference to the most recent newspaper article, they do remove local tax dollars outside of Pima County, historically between 25-35%. This is in the form of overhead and profit and some of their in-house work.


Small business owners are the economic foundation of any community. Enabling small businesses to compete provides options for projects, fair pricing and deters monopolization. Small businesses remain loyal in cyclical economic climates, continuing to invest all personal and business resources in our community. For small business owners, the economic multiplier benefits of keeping fees/revenues local benefits many layers of government and the community in general. As small business owners, we hire local subconsultants, attorneys, accountants, pension administrators, insurance brokers, and human resource support services. Local contract awards result in 100% of the economic benefits staying in Pima County.

2. We are seeking the Small Business Commission's support for improving the designation of contracts for local small Architectural and Engineering businesses competing against the large national firms with already substantial revenues. Local small businesses are unable to compete against these large national firms with the current process. The large nationals retain staff and resources well in excess of what any of our firms can provide individually, yet 80-90% of the local project needs don't require these extensive resources and staff levels. The resolution exists in the form of set asides to local small business and breaking up contracts to smaller components to allow for a greater number of awards. Smaller project size should allow more local small business participation. More local jobs equates to lower unemployment for different skill and salary levels.
3. Request for Qualifications (RFQ) are being tailored to large national firms in terms of project size and required experience. We need to reduce the size of projects and not require extensive experience on projects such that local small businesses are at a disadvantage. Evaluation criteria needs to be such that it does not selectively favor large national firm experience. **Staff needs clear direction from the Pima County Small Business Commission to support the small local firms.**

A recent example of evidence of our specific concern was the Valencia East/West and Camino de Oeste selection process by the Department of Transportation (DOT). This RFP included 3 projects with design fees totaling \$11 million. All the projects were proposed for award to 3 large national firms. The largest projects could have easily been broken up to allow up to 6 reasonably sized projects in terms of fee. In these difficult economic times, in addition to serving the local small business

community, 6 smaller projects should have been proposed as opposed to 3 larger ones.

We recommend the following specific changes to the procurement process as a means of partnering with the local businesses and addressing our concerns:

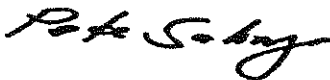
-  1. Provide a local small business set aside program in addition to any existing program which is aimed at women, minority, and small/disadvantaged businesses in a sub-contracting role. It is suggested that this local small business set aside be 25% of all Pima County professional service contracts awarded by each department. This 25% set aside program would require specific projects be set aside for competition restricted to local small business headquartered in Pima County (revenue less than \$4.5 million/year).
2. Require County staff to give consideration to project size as well as evaluation criteria such that small businesses are not immediately disadvantaged in competition. *The use of smaller size projects rather than single large projects will help in distribution of work to more firms, both small and large.
3. Require large national firms to keep 75% of local revenues in Pima County through local small business hires and local contracting of services.

We appreciate your review of this letter and consideration of our position. We hope you will advance our concerns to the Board as well as our recommendations for improvement/correction of the Architectural and Engineering procurement process. Without these considerations local, small businesses will continue to struggle to compete with national firms for local work.

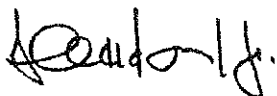
Thank you.



Robert M. Suarez, P.E.
President, RS Engineering, Inc.



Peter Salonga, P.E.
President, Oracle Engineering Group, Inc



J. Leonard Fontes Jr., RLS
Vice President, CPE Consultants, L.L.C.



Raul Pina
Owner, CPE Consultants, LLC



Paul Nzomo, P.E.
Principal, Coronado Engineering &
Development, Inc.



KITTELSON & ASSOCIATES, INC.

TRANSPORTATION ENGINEERING / PLANNING

33 N Stone Avenue, Suite 800, Tucson, AZ 85701 • 520.544.4067 • 520.544.9616

Mr. Tom Ward, Chair
Pima County Small Business Commission
33 N. Stone Ave, Suite 700
Tucson, AZ 85701

January 3, 2010

RE: Pina County Professional Services Procurement Practices

Dear Chairman Ward and Commission Members

In response to your request, I am happy to provide input to the Commission regarding Pima County's current procurement practices in the selection of firms to provide professional services.

Regarding Kittelson & Associates (KAI), we provide transportation planning and engineering services, are headquartered in Portland, Oregon and have nine offices around the county, including Tucson. We are classified as a small firm with some 125 employees. Our Tucson office started in 1994 as Catalina Engineering and has been a part of KAI since 2005. We have 10 full time employees in Tucson.

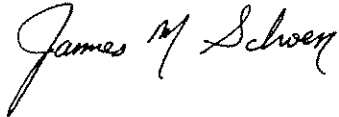
First and foremost, we strongly support the use of Qualifications Based Selection to procure professional services. Not only does it ensure that agencies and the taxpayers are provided the highest quality services and products, but also encourages all professional firms to continually pursue excellence in the services that they provide and to assemble the most qualified and capable team for each project.

Similar to other local firms that are headquartered outside of Arizona, we have served both prime consultant and subconsultant roles on projects for Pima County and other agencies in Southern Arizona. As a prime consultant, we always use subconsultants and suppliers who are local residents regardless of whether their firm's practice is "national" or primarily local. We are always cognizant, particularly in the current economic climate, of the need to spread the work for the benefit all local businesses and residents.

In our experience, the current Pima County QBS process has produced fair results, has ensured that the work is spread across the professional consulting community, and, of particular relevance to this hearing, has ensured that M/W/SBE enterprises share equitably in County work. Considering the high level of qualified competition on County projects, including M/W/SBE firms on a team is often critical in order to secure the necessary scoring in order to be selected. Should the Commission feel that the current process needs to be modified to better serve local residents, we would suggest that any changes be focused on the M/W/SBE point allocation process. However we strongly discourage any changes that would diminish selection of the highest qualified consultant teams for a given project.

We thank you for the opportunity to provide input as you review the current QBS process and support the role of the Commission to serve the interests of not only small businesses, but also of all Pima County residents.

Sincerely,
KITTELSON & ASSOCIATES, INC.

A handwritten signature in cursive script that reads "James M. Schoen".

James M. Schoen, PE.
Senior Principal Engineer



February 3, 2010

Mr. Tom Ward, Chairman
Pima County Small Business Commission
33 North Stone Avenue, Suite 700
Tucson, Arizona 85701

Re: **Pima County Professional Services Procurement Practices
February 4, 2010 Public Hearing**

Dear Mr. Ward and Commission Members,

URS Corporation has been a provider of Professional Engineering and Environmental Services to Pima County for many years. URS and its predecessor companies have operated an office in Tucson continuously since the late 1950's. We currently employ approximately 26 professionals in our office on Wetmore Road. Our employees are Pima County residents and proud members of the community in which we live. Our corporate headquarters are located in San Francisco, California and we are a publicly traded corporation on the New York Stock Exchange. Our large size allows us to offer one of the most competitive overhead rates in the nation, which provides significant value to our clients. URS Corporation is a large company comprised of many small local offices like our Tucson operation. As you can tell by our size, we are truly a small business within Tucson staffed by Pima County residents.

We applaud Pima County for its professional services selection process that was revamped to eliminate some of the issues present in the late 1990's. The current system was crafted with the assistance of the American Council of Engineering Companies, making it comparable with the selection procedures in place within many similar communities nationwide. The system provides the proposing firms with substantial feedback to improve future pursuits and embraces a true qualification based selection in accordance with Arizona Procurement Statutes for professional services.

URS utilizes local small businesses (frequently women-owned and minority-owned), known for their outstanding performance and knowledge. We utilize them not only on our Pima County work, but also in the performance of our contracts with ADOT, Marana, City of Tucson, and other agencies. We typically subcontract out 35-40% of our work to other local vendor businesses and engineering firms both large and small. We have long-established relationships with many of these Pima County firms and are proud of the way we partner with them to provide the best team for our client. Any of them will testify of our commitment to utilize them and the teamwork we share.

We are Pima County residents ourselves and support the effort to utilize local services such as ours. We encourage Pima County to retain their current qualification based selection system and we will continue to team with the small business community - particularly with the firms that have demonstrated the ability to deliver high quality products within the prescribed schedules.

Sincerely,

URS Corporation

Bill Dehn, PE
Vice President

URS Corporation
333 East Wetmore Road, Suite 400
Tucson, AZ 85705
Tel: 520.887.1800
Fax: 520.887.8438

February 3, 2010

Tom Ward, Chairman
Pima County Small Business Commission
33 North Stone Avenue, Suite 830
Tucson, AZ 85701

Re: Pima County Professional Services Procurement Practices
February 4, 2010 Public Hearing

Dear Chairman Ward and Commission Members,

Thank you for the opportunity to submit this letter that might provide additional information to your discussion.

We are local small businesses who acquire a large percentage of our work from the public sector, specifically in the form of public works projects. Collectively, we represent more than 100 years in business in Pima County and provide income to 95 employees.

Your public hearing today is focused on the County's current procurement practices with some specific interest in the "local versus national professional services firm".

In certain circumstances, we may fill the role of prime consultant. However, because of our business size and our specific disciplines, we most often fill the role of "subcontractor" on the majority of project pursuits. The managing design firms assemble a team of subcontractor professionals in hopes that they will be the team of choice. Typically, this is a written competition that is sometimes followed by an interview for the final selection. The process is a significant expenditure of budget and resources for the entire team and is not taken lightly by the agency overseeing the process.

Depending upon the size of the project, somewhere between 30 – 40% of the work will become the responsibility of the subcontractors. We represent many different disciplines, but the most common are geotechnical engineering, community relations, landscape architects, environmental engineering, and could also include traffic engineering and structural engineering.

Small Business Commission, continued
February 3, 2010
Page 2

These subcontractor firms are local small businesses, with less than 50 employees (most less than 20), frequently women-owned and minority-owned. In most cases, we depend on the larger, managing firms to bring us onto their teams so that we can be involved in these roadway, wastewater, water, and bridge projects. We also work with many vendors such as printers, suppliers, testing laboratories, and many other local small businesses continuing to spread the work throughout the community.

Although procurement rules and regulations might be somewhat different throughout the region, this basic approach is common to all public agencies in Pima County and around the State. They are rules that we, as business owners, become familiar with, work within, and rely on for their consistency.

Thank you for the opportunity to share our insight into this very important issue.

Sincerely,

Nanette Pageau
Owner
Kaneen Advertising & Public Relations, Inc.

Jan Gordley
Owner
Gordley Design Group

Naresh Samtani
Owner
NCS Consultants, LLC

Claudia Perchinelli
Owner
Structural Grace, Inc.

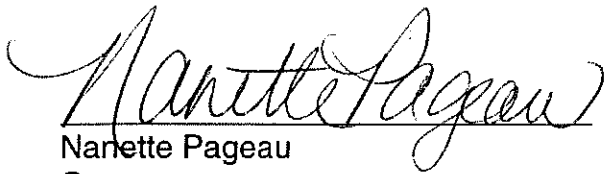
Liba Wheat
Owner
Wheat Scharf Associates, Inc.

Eric Scharf
Owner
Wheat Scharf Associates, Inc.

Lisa Ribes
Owner
LJ Design & Consulting

Joy Lyndes
Owner
SAGE Landscape Architecture
& Environmental

Marie Miyashiro-Collins
Owner
Elucity Network, Inc.



Nanette Pageau
Owner
Kaneen Advertising & Public Relations, Inc.



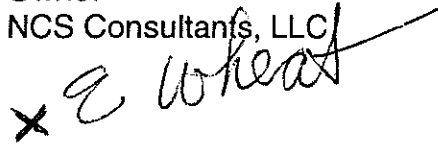
Jan Gordley
Owner
Gordley Design Group



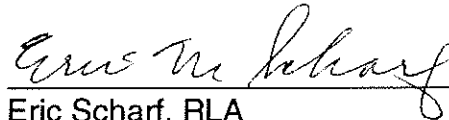
Naresh Samtani, PhD, PE,
Owner
NCS Consultants, LLC



Claudia Perchinelli, PE, SE
Owner
Structural Grace, Inc.



Liba Wheat, RLA
Owner
Wheat Scharf Associates, Inc.



Eric Scharf, RLA
Owner
Wheat Scharf Associates, Inc.



Lisa Ribes, RLA
Owner
LJ Design & Consulting



Joy Lyndes, RLA, ASLA
Owner
SAGE Landscape Architecture
& Environmental



Marie Miyashiro-Collins, APR
President, Owner
Elucity Network, Inc.



American Institute of Architects Southern Arizona Chapter

February 4, 2010

Thomas Ward, Chairman
Pima County Small Business Commission
33 N. Stone Ave., Ste. 530
Tucson, AZ 85701

Dear Mr. Ward:

The *Southern Arizona Chapter of the American Institute of Architects*, consisting of some 200 architect members and more than 60 industry professional affiliates would like to thank the *Commission* for the opportunity to comment on possible changes to the *Pima County Procurement Code* regarding local businesses. The Chapter supports the principles of QBS (qualification based selection) procedures which *Pima County* currently employs for the selection of architects and engineers. To that end, the *AIA* has historically been a major proponent of such selection systems and the comments in the letter are intended to support that process, while is offering some suggestions which may refine it to allow for more local firms to be successful in gaining work from *Pima County*.

There is a pool of highly qualified architects who practice in *Pima County*. These architectural firms have a wide range of expertise and when needed, can obtain the services of specialists who can be used as consultants to ensure that any specialized design issues can be addressed. However, the *AIA* generally supports the use of local firms for design projects . . . projects which generally require local tax dollars. We support this concept for several reasons:

- Local architects live in this community and care deeply about the quality of the built environment in *Pima County*.
- Local firms generally provide more responsive and timely services during the design and construction phases of projects
- Local firms remain in the community after construction is complete, continuing to serve their clients
- Local firms reinvest in the community through payrolls, equipment purchases, and in taxes
- Local architects contribute their talents and money to local charities and organizations
- Local firms generally retain local consultants
- Local firms intimately understand the cultural, economic and environmental values of *Pima County*.



American Institute of Architects Southern Arizona Chapter

February 4, 2010
Thomas Ward, Chairman
Pima County Small Business Commission
Page 2

With these advantages, local firms are clearly poised to serve the interests of *Pima County*, the projects they are selected to design, and the citizens of southern Arizona. The *AIA* recommends some additional considerations which *Pima County* can use in its QBS process.

First, it is suggested that some kind of "bonus points" be considered for local firms with headquarters in *Pima County*. National companies with local offices could also be awarded a smaller amount of these "bonus points." National or out of town firms would receive no "bonus points."

Second, "bonus points" can be awarded for any or all of the following areas: least work currently in progress, least work over the last three years, and any designation similar to the Federal government regulations for Small Disadvantaged, Women-owned, or Veteran-owned firms. These "bonus points" will tend to spread the work around and target certain firms which may qualify under the Federal guidelines. The *AIA* generally does not support "set-asides" in the traditional sense, but rather, supports offering some kind of bonus to those firms with any of the categories listed above to assist in the procurement of local firms.

*Third, change the definition of small business to match the size standard of the Federal government: average annual receipts over the last three years not to exceed \$4,500,000.

These suggestions are made in the spirit of encouraging *Pima County* to refine its selection process to encourage support of local architectural firms. *AIA* recognizes that it may be necessary to tweak the architectural selection process differently than the engineering selection process, as the engineers have offered a different approach to the problem. In any case, *AIA* thanks the Commission for their consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Brent L. Davis".

Brent L. Davis, Hon. AIA
Executive Director



NCS Consultants, LLC
640 W Paseo Rio Grande
Tucson, Arizona 85737
Tel: 520.544.2786
Fax: 520.544.3150

February 11, 2010

Chairman Tom Ward
Pima County Small Business Commission
33 North Stone Avenue, Suite 700
Tucson, AZ 85701

Re: Small Business Entities - Pima County Professional Services Procurement Practices

Dear Chairman Ward:

NCS Consultants, LLC (NCS) provides geotechnical engineering services that are required as part of the design and construction of all infrastructure facilities. NCS is on the Qualified Consultants List (QCL) of Pima County. Including myself, NCS has seven (7) employees; five of them are full-time. Currently, NCS is listed as a minority-owned small business enterprise (M/SBE) by the City of Tucson.

I attended the public hearing of the Pima County Small Business Commission (Commission) held on February 4, 2010. The invitation letter indicated that "The public hearing is neither a whitewash nor a witch hunt." Therefore, I am writing this letter to you in the hope that based on my experiences with obtaining contracts from Pima County and other government agencies some fundamental and effective changes can be made by the Procurement Department of Pima County.

Several presenters mentioned the issue of proper categorization and/or definition of a small business versus a small business enterprise (SBE). As per the Federal guidelines, a small business is one whose annual receipts are less than \$4.8 million and the number of employees is less than 50. It appears to me that if the Federal definition of a small business was to be implemented by the Pima County in lieu of the current requirements for M/W/SBE firms then that would alleviate many of the issues that were presented at the County's hearing. Furthermore, it would do away with the notion of "set-asides" and permit all small businesses to market their products on the basis of their quality either directly to the County as a prime contractor or as a subcontractor to other larger firms whether local or national.

Small businesses are vital to the success of everybody's interests. In these difficult economic times, if proper consideration is given to greater participation of small businesses in the economic growth of our community by looking at the proper definitions of a small business then that would be in the best interest of all concerned. Therefore, I urge you and the Commission to consider this option.

Please do not hesitate to contact me if you need any further input or clarification.

Sincerely,
NCS Consultants, LLC

Naresh C. Samtani, PhD, PE
President



177 N. Church Avenue, Suite 405, Tucson AZ 85701
Phone: (520) 770-9410 Fax: (520) 620-6981

RTAweb@city.com

February 11, 2010

Tom Ward, Chairman
Pima County Small-Business Commission
601 North La Cañada, Building A, Suite 2
Green Valley, Arizona 85614

Dear Mr. Ward:

I attended your public meeting last week and noted that there are a number of concerns expressed that the consultant selection process the County currently utilizes precludes small businesses from being selected. I understand that the Pima County Small Business Commission (SBC) is deliberating on this issue and will be providing recommendations to the Board of Supervisors in March.

The Commission should understand the ramifications in delaying these contract awards as they relate to the Regional Transportation Authority's (RTA) mandate by the voters to implement the adopted RTA plan.

Pima County Department of Transportation has been aggressively pursuing implementation of their RTA projects. They have successfully designed and awarded construction bids on four of the Phase 1 (projects to be started before 2011) projects, with the design for the remaining project currently scheduled to be complete by the end of this year. They are also initiating the planning and design activities on several Phase 2 (projects to be started before 2016) projects in an ongoing effort to expedite delivery on critical roadway improvements. It takes a substantial amount of time to retain consultants, conduct the planning and public outreach tasks, perform environmental investigations, develop the overall design, obtain environmental permits, acquire right of way, and relocate utilities. In order to meet the project schedules that have been mandated by the voters, Pima County Department of Transportation must expeditiously proceed to select consultants for the remaining Phase 2 projects.

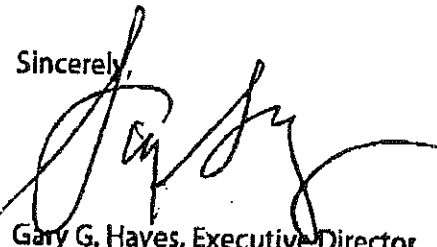
As the Executive Director of the RTA, my concern is that the consultant selection process for these projects is on-hold until the SBC can provide recommendations to the BOS. Depending on your recommendations, there may be further delays as the BOS evaluates the recommendations, and either proceeds with implementing the

necessary changes to current procurement practices, or requests more time to gather additional information. My observation of the County's procurement process is that in recent years it has been an objective (non-political) approach that follows the state regulations for qualifications-based selection.

I am in full support of the consultant selection process being utilized in the County. Obviously, any increased opportunities for inclusion of small businesses in the delivery of RTA projects are welcomed and encouraged. However, especially with the current economic conditions in our region, the primary concern should be for expedient advancing of projects that will introduce RTA tax revenues into the local economy and support the economic recovery efforts that are critically needed.

If you have any questions please let me know.

Sincerely,



Gary G. Hayes, Executive Director
Regional Transportation Authority

Cc: Mayor Lynne Skelton, Town of Sahuarita, RTA Board Chair
Vice Chairman Robert Valencia, Pascua Yaqui Tribe, RTA Board Vice Chair
Chairman Ned Norris Jr., Tohono O'odham Nation, RTA Board 2nd Vice Chair
Mayor Jennifer Eckstrom, City of South Tucson, RTA Board Member
Mayor Robert Walkup, City of Tucson, RTA Board Member
Mayor Paul Loomis, Town of Oro Valley, RTA Board Member
Mayor Ed Honea, Town of Marana, RTA Board Member
Sup. Ramon Valadez, Pima County Board of Supervisors, RTA Board Member
Steve Christy, Rep. Arizona State Transportation Board, RTA Board Member
C.H. Huckelberry, County Administrator
John M. Bernal, Deputy County Administrator
Priscilla S. Cornelio, Pima County Dept. of Transportation



PIMA COUNTY
DEPARTMENT OF TRANSPORTATION
201 NORTH STONE AVENUE, FOURTH FLOOR
TUCSON, ARIZONA 85701-1207



PRISCILLA S. CORNELIO, P. E.
DIRECTOR

(520) 740-6410
FAX (520) 740-6439

February 12, 2010

Tom Ward, Chairman
Pima County Small-Business Commission
601 North La Cañada, Building A, Suite 2
Green Valley, Arizona 85614

Subject: Current Award Selection Process for Small Businesses and Minority/Women Owned Business Enterprises Owned Firms

Dear Mr. Ward:

I attended the Small-Business Commission's Public Hearing last week on Pima County's current consultant selection process. I understand from the testimony that there are concerns with the process that is currently utilized and how the steps or the criteria being utilized may preclude small businesses from being selected. In addition, there were concerns expressed with regards to the points that can be awarded for Small Businesses and Minority and Women owned Business Enterprises (M/WBE) owned firms. In addition, comments were made that the firms being recommended for selection on the projects (most notably the two recent Valencia projects for the Department of Transportation) were "not local" because their corporate headquarters were located outside of Pima County.

From my perspective, I believe that some of the comments made do not reflect a complete understanding of how the various departments operate and the criteria we utilize. I would like to provide you with some additional information regarding these comments so that you and the rest of the Commission will have an additional perspective available to you as you develop recommendations for the Pima County Board of Supervisors.

Consideration of Small Businesses and Minority/Disadvantaged Businesses - The current selection process awards up to ten (10) percent of the total points for Small Businesses and M/WBE utilization and affirmative action. In the recent consultant selection, there were a total of 150 points available and 15 of the available points were awarded for those items. The department's recent solicitations have often separated by less than two points, so these point allocations and criteria do indeed have an impact on ensuring Small Businesses and M/WBE owned firms receive work.

Definition of Local Firm - One of the primary recent examples cited at the Public Hearing was associated with the department's recent consultant solicitation for three projects. Two of the projects are on Valencia and one is on Camino de Oeste. The two on Valencia were large multi-million dollar Regional Transportation Authority (RTA) corridor projects; and the third on Camino de Oeste was a smaller (approximately \$500,000 design fee) roadway design project. Statements were made that the

Tom Ward, Chairman, Pima County Small-Business Commission
Current Award Selection Process for Small Businesses and Minority/Women Owned Business
Enterprises Firms
February 12, 2010
Page 2

three firms selected were not "local" because their corporate headquarters were not located in Pima County. It should be noted that all three firms started out as small Tucson-based firms that were later acquired by larger national firms. In addition, as you heard, all three have had offices in Tucson for several years (one firm for over 20 years) and that all of their employees are Pima County residents. By all practical definitions, they can be considered a local firm.

During the presentations, some suggestions were made that Pima County should revise its consultant selection criteria to award points for local preference and for having the least work over a recent time period. This does not appear to be supportable under Title 34. Also, a suggestion was made to have a set-aside for small businesses which is not supported by the recent disparity study and Title 20 of the Pima County Code.

Consideration of Project Size - During the testimony, some of the firms stated that they believe the County should break projects up into smaller segments to allow multiple firms to be awarded the projects plus also permit the smaller firms to compete. The Commission indicated their possible support for such a concept if the change would not increase project costs.

To clarify our approach, with regards to the larger RTA corridor (five miles in length) projects, Pima County typically hires a consultant team to develop the conceptual engineering, i.e. the planning, drainage and environmental investigations, and set the overall roadway alignment for the entire corridor. This approach is necessary in order to develop the major roadway elements and features, and make sure that all critical items i.e. the drainage, alignment, right-of-way, environmental, etc. are all developed in conjunction with one another. In addition, this approach allows the department to look at the corridor as a whole and make key decisions based on the overall benefit, not just by looking at individual pieces. Lastly, this approach allows the department to combine and consolidate a number of activities such as public involvement, public art, utility coordination, and environmental permitting in order to gain efficiencies and allow for us to expedite the overall delivery.

As the conceptual engineering phase nears completion, the department has the option of amending the existing contract to add the detailed design work or procuring new firms to develop the final plans. The department even retains the option of pursuing other delivery methods such as Design Build or Construction Manager At Risk (CMAR), depending on the particular needs of the project. It is critical to note that, contrary to the opinions expressed, the department DOES perform this analysis before we proceed with a solicitation so that we are not changing direction or making major modifications part way through the project development effort. Such adjustments are costly and time-consuming and must be avoided. It is also key to note that this approach is consistent with how the other jurisdictions i.e., the Arizona Department of Transportation and the City of Tucson, are handling their large corridor projects as well.

While some of the smaller firms may not have the full capabilities to do the initial corridor planning efforts, the department does encourage all firms to get involved either in a sub-consultant role (which many do) or join together with other firms to take a "partner/team" approach, which a couple of local firms have also done. Both of these methods have been extremely beneficial to the department in terms of meeting delivery expectations as well as to the firms that have been involved by sustaining their work load and utilizing their available staff.

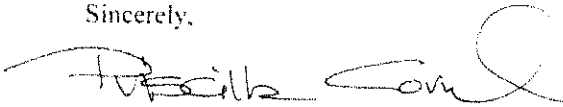
Tom Ward, Chairman, Pima County Small-Business Commission
Current Award Selection Process for Small Businesses and Minority/Women Owned Business
Enterprises Firms
February 12, 2010
Page 3

Our past experiences have shown that segmenting of our projects results in increased costs associated with extensive coordination among several consultants and ultimately dealing with multiple contractors once we got to construction. In addition, we would re-introduce several inefficiencies that come from a segmented approach, as opposed to the corridor method currently utilized. Given the current state of limited funding and desired project schedules, we would likely find our ability to deliver on our current program hindered or even significantly impacted.

I fully support the efforts you have been tasked with and anxiously await the results of your analysis and your subsequent findings, conclusions, and recommendations. As you are fully aware, time is of the essence in this effort, since the department is currently on hold with three pending contracts as well as two additional solicitation efforts. It goes without saying that this work is needed not only to meet project schedules, but also to keep local consulting firms busy.

I trust this information will assist you in your deliberations and if you have any additional questions please let me know. Thanks.

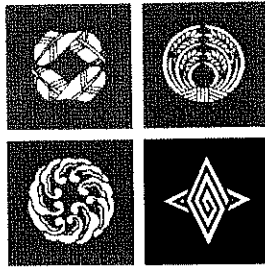
Sincerely,

A handwritten signature in black ink, appearing to read "Priscilla S. Cornelio". The signature is fluid and cursive, with a large loop at the end.

Priscilla S. Cornelio, P.E.
Director

PSC:sap

c: C.H. Huckelberry, County Administrator
John M. Bernal, Deputy County Administrator
George Widugiris, Procurement Director
Ana Olivares, Deputy Director-Infrastructure
Rick Ellis, Engineering Division Manager
Gary G. Hayes, Executive Director, Regional Transportation Authority



RECEIVED
FEB 12 2010
DISTRICT 4

delivered
2-18-10
(W)

February 8, 2010

Mr. Tom Ward, Chair
Pima County Small Business Commission
33 North Stone Avenue, Suite 700
Tucson, AZ 85701

Re: Pima County Professional Services Procurement Practices

Dear Mr. Ward and Commission Members,

We attended the hearing on February 4, 2010 and appreciate your efforts to understand and address the issues raised. As an introduction, we are an 11-person, woman-owned landscape architecture firm founded in Tucson in 1982. Most of our projects are in the public works sector: transportation, parks and urban design. Our clients include town, city, county, tribal and state governments and agencies, and associated design professionals, including many of the firms represented at the hearing.

We're sympathetic to the challenges faced by less-experienced and MWSBE firms and we have—particularly in the early years—benefitted from MWSBE utilization aspects in County and City projects. We work hard both doing exemplary work for our clients and the respective agencies, and marketing our services to them. We commit resources and staff training to keeping current with emerging trends and opportunities. During the selection process, the shared experience of the team is always a significant criterion, so building and maintaining good relations with our clients is critical to our success.

We believe the current Qualifications Based Selection process is fair and would be reluctant to see it changed. It would be difficult to guarantee that a different system would be better and we would ask, what would be the goal? We attended two meetings with the City of Tucson to address the results of its 2008 Disparity Study, and appreciate the County's and City's efforts to ensure fair selection processes.

At the hearing, it was proposed to break up "large" projects or perhaps to lobby the State Legislature to change the procurement statute to allow additional bonus point scoring, for example. We believe that both of these strategies would be costly in time and dollars and would likely have unintended consequences. We seek work outside Pima County when it fits our experience and expertise. In these cases, we expect to be judged on our merits and hope we will not be subject to unreasonable preference factors. (The Tucson/Pima Arts Council has addressed preference for local or emerging artists in its public art selection process on many occasions and

has concluded that efforts that restrict selection to local artists will likely curtail local artists' efforts to secure contracts outside the region.)

Success in business requires creativity and perseverance. Rather than pursuing the "playing not to lose" ideas offered at the hearing, we encourage the Commission to think broadly and to promote Pima County's consultants—in collaboration with the professional associations—as creative and having great expertise in design for arid regions. We are inspired by the City's Landscape Advisory Committee's Imagine a Great Desert City premise. Perhaps the selection process could add a requirement that submittals include creative and innovative solutions in the Strategies and Understanding and Approach sections.

Sincerely,



Elizabeth Wheat
Principal



Eric Scharf
Principal

February 18, 2010

Mr. Tom Ward, Chair
Pima County Small Business Commission
33 N. Stone Ave, Suite 700
Tucson, AZ 85701

Re: Pima County Professional Services Procurement Practices

Dear Chairman Ward and Commission Members:

As a result of the Small Business Commission's recent public hearing, you have heard from many different voices in the architect/engineer industry. We believe that the time has come to pull those many voices together, as we search for common ground on the issues of procurement of professional services in Pima County.

The undersigned firms represent small, local, national, women-owned and minority-owned businesses. We provide services to Pima County as both prime consultants and subconsultants. We have been involved in the creation, revision and implementation of the County's procurement process for many years. We understand the complex issues which you are considering, and we appreciate your careful review of them. We believe that the current economic crisis, which has greatly impacted our industry, has also amplified the scrutiny under which procurement of all types of services are being viewed. Undoubtedly, the concerns raised by some of our fellow professionals merit serious assessment and appropriate actions if substantiated.

Since many of the issues that have been reported to you go beyond solely small business concerns, we would like to suggest an approach to the review of Pima County's procurement practices. Inasmuch as many of us have been involved over the years in the creation of such procurement enhancements as the M/WBE preference points, it would make sense to involve our industry in any modifications to the process that may be contemplated. Thus, we hope that the Commission's recommendations to the Board of Supervisors will include the following

- Call for an update of the Pima County/City of Tucson Disparity Study, in order to gather updated data covering the three years since the last study was accomplished.
- Evaluate the effectiveness of the actions that have been taken by County Procurement in response to the findings of that study.
- Identify actions within the revised Title 20 that have not yet been implemented or only partially implemented.
- Using the updated disparity data, convene a task force (with members of the A/E community, along with the Small Business Commission, County Procurement and using departments) to evaluate the information and suggest further action.

Among the topics that we expect a task force would review are the following:

- Small business definition
- Small business preference
- Local firm definition
- Local firm preference
- Effectiveness of current preference point system in enhancing small business opportunities as both prime and sub-consultant status
- Packaging of multiple projects for selection to ensure “even playing field” competition
- Balancing economic efficiency and small/local firm competitiveness in the sizing of projects
- Ordinance/statute changes that may be needed to allow certain types of modifications to the procurement code
- The potential impact of Alternative Project Delivery Methods on local and small businesses
- Ensuring the maintenance of the excellent progress made by Pima County in the past decade with respect to QBS procurement.

Although a full-blown overhaul of the procurement system is clearly not necessary, and although the SBC’s interests may not go as far as the review of all the procurement practices of Pima County, we believe that a task force involving the SBC, as well as consultants and County staff, would certainly be appropriate. We would be pleased to assist the Commission in any way, if requested by yourselves or the Board of Supervisors. Thank you for your efforts in the matter of great importance to the A/E community.

Sincerely,

MBE, WBE and SBE Firms,
Kaneen Advertising & Public & Public Relations Inc. – Nanette Pageau
Gordley Design – Jan Gordley
NCS Consultants, LLC – Naresh Samtani
Structural Grace, Inc – Claudia Perchinelli
RA ALCALA & Associates- Robert Alcala
Wheat Scharf Associates, Inc. – Liba Wheat, Eric Scharf
LJ Design & Consulting – Lisa Ribes
Sage Landscape Architecture and Environmental – Joy Lyndes
Elucity Network, Inc - Marie Miyashiro-Collin

Local offices of firms with headquarters outside Pima County,
AECOM – Jay Van Echo, Laurel Parker
Arcadis – Steve Playford
HDR – Mike Barton
Kimley Horn – Dave Perkins
Kittleson – Jim Schoen

Morrison-Maierle – Jason Mercer
Olsson Associates – Walt Rogers
PB – Jay Koesters
PSOMAS – Tom McGovern
TetraTech – John B. Lynch
TranSystems – Jerry Cannon
URS – Bill Dehn

February 18, 2010

Pima County Small Business Commission
33 N. Stone Ave, Suite 530
Tucson, AZ 85701

Attn: Mr. Thomas Ward, Chairman

Subject: Pima County Professional Services Procurement Practices

Dear Commissioners:

We would like to thank you all again for your time and effort in addressing subject procurement practices. Subsequent to your February 4th hearing, we wanted to supplement our letter to you of February 3rd, which addresses the concerns of several local small business owners. The following are areas which we feel need further explanation of our position:

1. The current minority/women/small disadvantaged business program in general is geared to firms in a subconsultant role and not to consultants wanting to prime contracts. The program only offers up to a 10 bonus point preference to these disadvantaged businesses, however, rarely if ever, are the 10 bonus points achieved while using these firms in a subconsultant role. If a prime consultant has a 10% representation of these disadvantaged firms as subconsultants, then only 10% of the 10 bonus points are awarded or 1 point. If there is a 20% representation, then only 20% of the 10 bonus points or 2 points are awarded. As you can see, unless the prime consultant is a disadvantaged firm (very rare occurrence) the 10 points are never awarded. Therefore, the 10% preference is not a very effective tool in encouraging the use of small disadvantaged firms and certainly is not a factor for the general non-disadvantaged small business community.

2. There is currently an attempt by large National Companies with a branch office in Pima County to present themselves as local and small. We all know that local is defined as headquartered in Pima County, which is in keeping with the spirit of what local is intended to mean. As in the definition for the Small Business Commission (SBC) member composition, local clearly means a company with 100% local ownership and management, and not a branch of a large multinational company with revenues exceeding \$7 Billion!

Large National companies in Pima County are also attempting to modify the definition of small to suit their respective branch offices. Historically, and across the nation, the definition of a small architectural/engineering firm is one with average annual revenues for the past 3 years of under \$4.5 million. Levels of employees do not enter into the definition of small in the professional services category.

The SBC membership requirement of less than 100 employees does not apply to the professional services category, and yet, the large National Companies are attempting to represent themselves as small under this guideline.

3. In terms of methods to correct the inequities in the current selection process, we would request the SBC provide the Board with all options presented. In this way, the Board can direct staff to research in detail the available options, whether it be set-asides or bonus points, etc. As you know, where there is a will, there is a way. It is not unusual for staff to resist change without direction from the Board.

Since the Board is the policy making body of the County, we feel the Board should be allowed to explore options. Feedback to date from Procurement suggests there are not options relative to State Statutes. Without advancing all options to the Board, the process will be short-changed with all decision making not going beyond the Departmental level.

For example, the feedback from Procurement refers to ARS Title 34 as not allowing set asides. Procurement's interpretation of Title 34 suggests that the wording of "...shall provide notice of each procurement of professional services..." to the community requires open participation without restriction (i.e. no set-asides). We do not agree with this interpretation. At the Federal government level, Federal Acquisition Regulations Part 36 (FAR's) read essentially the same as Title 34 in the procurement of professional A&E services. The Federal wording of "...shall publically announce all requirements for architect-engineer services..." is essentially the same, yet the Federal government has had set-asides for quite a long time.

4. In regards to splitting projects into smaller segments, we also feel the Board should have the option to set policy. The issue of added cost is questionable when one looks at total cost to the community. Any small added cost for administration/engineering is easily offset by community benefits and construction savings. Smaller segments allow greater participation up front by more firms in the design stage. In addition, more small construction companies can also participate with multiple projects rather than just one. Bonding requirements for one large \$40 million project will preclude competition and certainly not allow smaller local construction companies to compete.

By spreading the work to more firms, and saving jobs, involving more construction companies and competition, the general community benefits greatly. Any early added costs, if any, are far outweighed by the subsequent community benefits.

In addition, the design element would be done concurrently by several firms rather than only one, resulting in shorter design schedules which allow projects to go to construction earlier, thereby taking advantage of lower bid prices.

Again, we request the SBC advance to the Board all such options to help the small local business community. As policy makers for Pima County, the Board should be allowed to evaluate the benefits of splitting up projects to smaller segments. It is clearly an economic benefit to the community overall, and a sound option to save jobs and include more of the local small business engineering and construction companies.

In closing, we would encourage the SBC to provide as many options as possible to make a positive change to the current procurement process. Local small businesses need your support to survive and succeed in the current economic environment in addition to the competitive environment we find ourselves in with large National firms.

As representatives of local small businesses, we would like to assist the Commission in its stated purpose of facilitating "communication between Pima County and small business; to evaluate County policies and regulation for their impact on small business; **and to help maintain a healthy environment in which small business and their employees can prosper.**"

Again, thank you very much for your dedication to this assignment.



Robert M. Suarez, P.E.
President, RS Engineering, Inc.



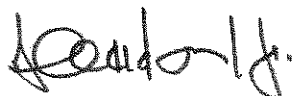
Raul Pina
Owner, CPE Consultants, LLC



Peter Salonga, P.E.
President, Oracle Engineering Group, Inc



Paul Nzomo, P.E.
Principal, Coronado Engineering &
Development, Inc.



J. Leonard Fontes Jr., RLS
Vice President, CPE Consultants, L.L.C.