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# MEMORANDUM

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Date: June 15, 2023

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

From: Jan Leshner  
County Administrator

A handwritten signature in black ink, appearing to read "Jan Leshner", is written over the printed name and title.

Re: **Update on Administration East Building – 130 W. Congress Street**

On [June 6, 2023](#), I provided the Board of Supervisors an update on improvements to the Administration East Building at 130 W. Congress Street. I indicated the project had experienced delays resulting in the need to extend the original planned project completion from spring 2024 to spring of 2025. I also indicated efforts were being pursued to accelerate construction activities. On June 12, 2023, Pima County notified the project contractor, Lloyd Construction Company Inc., that the Construction Manager at Risk contract with Pima County would be terminated effective June 19, 2023 (Attachment 1).

Also on June 12, 2023, I approved emergency procurement procedures in accordance with Arizona Revised Statute 34-606 and Pima County Procurement Code 11.20.060 for Pre-Construction Services with Sundt Construction not to exceed \$100,000 to support completion of the façade upgrade and tenant improvements for the project (Attachment 2). Sundt Construction is a qualified and experienced contractor that has worked successfully with Pima County to deliver various projects.

The Construction Manager at Risk (CMAR) contract with Sundt Construction will be on the June 20, 2023 Board of Supervisors Addendum. This contract will authorize Sundt Construction to lead the Administration East Building exterior and interior improvement project. As the CMAR, Sundt would prepare one or more Guaranteed Maximum Price (GMP) packages and deliver the related construction services.

Approval of this CMAR contract would also authorize the Procurement Director to execute the GMP packages necessary to complete the project provided the cumulative total of all GMP and Pre-Construction Services do not exceed \$25 million and the contract term does not exceed June 30, 2025. Approval of this contract will enable expediting the completion of the exterior façade and interior improvement project.

JKL/dym

## Attachments

c: Carmine DeBonis, Jr., Deputy County Administrator  
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer  
Steve Holmes, Deputy County Administrator  
Sheila Holben, Interim Director, Project Design and Construction Department  
Terri Spencer, Director, Procurement Department

# ATTACHMENT 1



June 12, 2023

Mr. Brad Lloyd, Vice President  
Lloyd Construction Company, Inc.  
2180 North Wilmot Road  
Tucson, AZ 85712

**Re: Construction Manager at Risk Services (CMAR): 130-150 W. Congress Façade Upgrades, Contract No. CT-FM-19-394 – Contract Termination**

Dear Mr. Lloyd,

In accordance with Article 8 of the Contract and Article 11.1 of Appendix C, General Conditions, County's Right to Stop Work or Terminate for Convenience, Pima County hereby notifies Lloyd Construction Company, Inc. ("Lloyd") that the contract CT-FM-19-394, Construction Manager at Risk Services: 130-150 W. Congress Façade Upgrades, will be terminated effective June 19, 2023.

1. Lloyd must stop all work, demobilize CMAR's equipment, sweep the construction site clean, vacate the building, and return keys to Pima County by 5:00 PM on June 19, 2023.
2. Lloyd must keep existing fencing, scaffolding, swing stages, safety signage, Right of Way permit(s), and related traffic barricades in place.
3. Lloyd must remove rented sanitation facilities and the roll off dumpster prior to June 19, 2023.
4. Lloyd must re-assign all CMAR-Subcontractor agreements to Pima County no later than 5:00 PM on June 19, 2023.
5. Lloyd must deliver to the County all project-related materials that have been received or salvaged by CMAR and project-owned tools in CMAR's possession, whether stored on or off site. Materials and tools are to be placed in a secured area(s) prior to June 30, 2023. Coordinate all deliveries with Pima County to verify quantities, quality, secured storage location(s), and acceptance. Provide at least 24 hours advance notice of all deliveries.
6. Lloyd must create an inventory, in electronic and printed formats, of all project-related materials and project-owned tools and submit complete termination inventory schedules to County no later than one hundred twenty (120) days from date of the Notice of Termination.
7. Lloyd and Pima County will cooperate to finalize the retroactive review of Pay Application #18 by no later than June 30, 2023.
8. Lloyd must submit a pay application for the work completed between May 1 and June 19, 2023, reconciled with the retroactive review of Pay Application #18, by no later than 5:00 PM on July 20, 2023.

Brad Lloyd

**Re: Construction Manager at Risk Services (CMAR): 130-150 W. Congress Façade Upgrades, Contract No. CT-FM-19-394 – Contract Termination**

June 12, 2023

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9. Pima County will process the Final Pay Application upon Pima County's receipt of inventory schedules, as-builts to date, warranties for completed Work, and lien releases from subcontractors and materials suppliers.

Sincerely,



Sheila Holben  
Interim Director

SH/dlm

c: Carmine DeBonis, Jr., Deputy County Administrator  
Terri Spencer, Director, Procurement Department  
Bobby Yu, Deputy County Attorney, Pima County Attorney's Office

# ATTACHMENT 2



## MEMORANDUM

Date: June 12, 2023

To: Jan Leshner  
County Administrator

From: Sheila Holben *SH*  
Interim Director

Re: **130 Façade Improvement Project – Competition Impracticable Selection –  
Construction Manager at Risk Services - Sundt Construction**

This memo requests approval to implement emergency procurement procedures under Arizona Revised Statute 34-606 and Pima County Procurement Code 11.12.060.A.1.b. In this case, normal purchasing procedures are impracticable due to the existing condition of the construction site at 130 W. Congress and the need for a general contractor to assist Pima County by taking over construction management services to complete the façade construction and interior improvements to expedite the schedule.

### **Background**

Pima County contracted with Wiss, Janney, Elstner Associates, Inc. (WJE) to investigate and provide recommendations for the glass curtain wall system at 130 West Congress due to the building's significant air and water leakage issues. WJE investigated the building's facade, recommended replacement and completed documentation of the curtain wall replacement and other building enclosure improvements. A Construction Manager at Risk (CMAR) was also hired to develop a Guaranteed Maximum Price (GMP) and construction of the full scope, which was completed, and construction services began on April 06, 2021. Since the start of construction, the project has faced many challenges including material delays, reduced labor availability, existing conditions requiring modifications to the building and the curtain wall design, limited access to the exterior façade and non-compliance with asbestos regulations at the site. These factors have resulted in the County terminating the CMAR's contract and the need for a new CMAR to complete the project including the interior improvements.

The 130 Façade project is in the construction phase with the west façade glass removed and a temporary barrier in place until the new curtain wall is ready to be installed. Additional work has occurred including asbestos abatement, interior demolition, installation of structural steel supports and exterior concrete panel joint replacement.

### **Construction Manager at Risk Services**

The CMAR scope will initiate with Pre-construction Services to immediately support the efforts to understand the full scope of the project, the work completed to date, materials already purchased, subcontractor contracts, the unique conditions of the site and other critical components related to complete the project. The scope includes the replacement of the glass curtain wall system with a new modern system, replacement of the sealant at the exterior concrete wall panels, associated repairs to areas adjacent to or supporting the new curtain wall, life-safety improvements at the two stairwells and interior construction throughout the building to allow for occupancy of floors 1 thru 9. A qualified CMAR is needed to understand the complexities of the project including but not limited to the following: the customized multi-story façade system, existing asbestos fireproofing, limited site access, occupied pedestrian walkways and buildings adjacent to the construction site and to develop and coordinate schedules to complete the project.

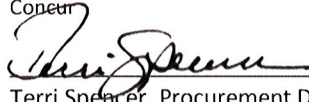
Jan Leshner, County Administrator  
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**Qualifications**

Sundt Construction (Sundt) is a very experienced general contractor with local staff available to start working on the project immediately. Sundt has worked with Pima County on three previous successful alternative delivery projects providing both preconstruction and construction manager services. These projects include the Public Service Center, Pima Animal Care Center and is currently in the final stages of the new Sheriff's Hangar. All projects were completed per Pima County's requirements, and the scheduled completion dates were achieved.

I request your approval to execute a new contract with Sundt Construction for Pre-construction Services in the not-to-exceed fee amount of \$100,000 and authorize the Procurement Director to approve and execute additional GMP amendments to the contract as necessary to expedite the construction activity and site supervision expected to start immediately. The total of the Pre-construction Services and all GMPs is estimated at \$25 million for successful completion of the 130 Façade project.

Concur



Terri Spencer, Procurement Director

6/12/2023

Date

Concur



Carmine DeBonis Jr., Deputy County Administrator

6/12/2023

Date

Approved  Denied



Jan Leshner, County Administrator

6/12/23

Date

SH/mak/nfc