



Cochise County Board of Supervisors

Public Programs...Personal Service
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February 2, 2017

Representative Thorpe

Re: HB 2143 Public contracts; procurement

Dear Representative Thorpe,

Cochise County urges you to hold HB 2143 until your committee members have adequate information on which to base an informed vote.

The bill makes critical assumptions without data to support them. It is assumed that private contractors can always provide more cost effective road construction and maintenance. The effects of the changes proposed in this legislation are enormous. The public served by County roads deserves to have this important decision based on the best information. The Counties need to be heard and have the opportunity to provide relevant information to the committee.

In order to make an informed, fiscally responsible decision the committee needs to make sure they have considered at a minimum and have adequate actual data on all the following:

1. Critical Emergency service capacity would be jeopardized. Contractors in Cochise County do not have the flexibility or capacity to respond immediately in the case of large and/or remote events, such as fires, flooding or accidents and to provide emergency services, to include road closures and openings. Counties already have IGAs with many other public land agencies (such as Forest Service, BLM, State) for forest fire support and flooding events. In many cases County personnel have necessary certification to work on such emergencies.
2. Increased liability- The County is responsible and expected to maintain public infrastructure in all areas of the county, whether paved or unpaved, in a safe condition at all times. The reduction of quantity, quality, and flexibility in maintaining this infrastructure will result in increased liability.
3. Inconsistent delivery of critical maintenance services- Contractors' capacity to provide public maintenance services is dependent on the state of the economy, thus resulting in an uneven flow of activities. During boom economies, the public contracts take a back seat to more profitable private ventures and contracts. Cochise County is so remote that during good economic times in Pima, Pinal and Maricopa Counties, we have experienced serious lack of bidding on proposed County projects. This lack of competition is not fiscally sound management of very limited public funds for public infrastructure.
4. Reduction in quantity and quality of overall services- Switching away from in-house maintenance to contracted services would have the effect of causing greater administrative costs to administer the contracts. The net effect would be moving resources from actually doing the work to managing and inspecting the work. Therefore our already limited funds will not only have to stretch to cover increased contracting costs, but also cover increased procurement, administrative and contract management costs.
5. Loss of flexibility to respond to ever changing needs- In-house staff responds very quickly to ever changing needs and demands. This flexibility will be lost if counties are required to rely solely on contractors. The expanse of rural Arizona counties compounds this loss and the resulting impact to taxpayers

6. Lost jobs and closure of critical facilities- Available resources are finite! An increase in contracts is only possible through a reduction in staff. This will result in highly trained, talented and dedicated people losing jobs and the closing of strategically placed maintenance facilities and equipment, and...once these are closed and gone...they are gone forever! It is highly unlikely that a significant portion of these employees will find private construction jobs in Cochise County. It is more likely that existing construction companies in more populated areas will be able to increase jobs. Therefore Cochise County at least stands to lose local population, further increasing the negative economic impact.
7. Potential conflicts between municipalities- as limited resources are competed for during the busy seasons. Most areas of the state must do our chip seal maintenance from March to October because of colder temperatures the rest of the year. There will be fierce competition for these services during the short season, further impacting remote areas—both in ability to even get bids and the price to mobilize to a remote location.
8. Adequate funds for Capital projects- The best outcome for both private contractors and counties and their citizens would be for there to be adequate transportation funding for more capital infrastructure projects state wide. All jurisdictions in Arizona are demonstrably deficient in transportation funding for even existing maintenance needs. Cochise County in 2013 prepared an exhaustive Road Needs Study that showed a several million dollar annual deficit for adequate maintenance for existing roads. These very capital projects would almost entirely be put out in private construction.

For the benefit of the traveling public, please hold this proposed legislation in committee and gather and carefully study the information available in order to make the best decision. This is important enough to take your time and do it right.

Thank you for your time and careful consideration.

Sincerely,

Ann English
Chairman
District 2

Patrick G. Call
Vice-Chairman
District 1

Peggy Judd
Supervisor
District 3