



Board of Supervisors Memorandum

September 3, 2013

**Solicitation #95799 for
Heating, Ventilating and Air Conditioning (HVAC) Services for Residential Homes**

Background

The Procurement Department issued Solicitation #95799 for Heating, Ventilating and Air Conditioning (HVAC) Services for Residential Homes for the removal and replacement of furnaces, air conditioners, evaporative coolers and various other related items for Community Development. Bids were received, and a Notice of Recommendation for Award was issued on June 27, 2013.

Two respondents, Oracle Control Systems and Vic's HVAC Repair, protested the recommendation, asserting that the wording in Paragraph 3 of the Offer Agreement was ambiguous and would have no material effect on the integrity of the bid process. Further, they did not believe this paragraph required additional documentation to be submitted with their bid. The documentation in question was to simply provide a copy of their contractor's license and five references.

Citing Section 2 in the solicitations "Instructions to Bidders," which requires bidders to submit this information, the Procurement Director dismissed both protests. The dismissal was appealed by Vic's HVAC Repair at the August 6, 2013 Board of Supervisors meeting, and this item was continued to the September 3, 2013 Board meeting.

Report

The appellant did acknowledge at the August 6, 2013 Board of Supervisors meeting that he overlooked the requirement and that the documentation should have been submitted with his bid. At the meeting, mention was also made by the appellant of a significant disparity of over \$200,000 between his bid price and that of the recommended firm. It is important to note that the recommended low bid, which complied with the requirements of the solicitation, was significantly lower in cost than the appellant's bid. Arizona Style Construction, LLC's bid was \$454,990; and the appellant, Vic's HVAC Repair, LLC's bid was \$529,801.

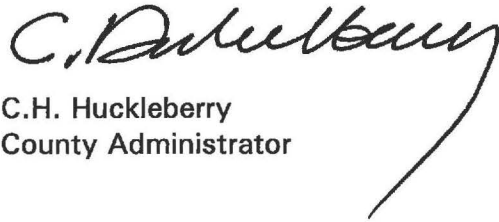
The recommended secondary supplier, Tron Heating & Cooling, LLC, which also complied with the requirements of the solicitation, did bid a price higher than the appellants at \$675,230. However, the secondary supplier is estimated to receive only approximately 10 percent of the available business; so the disparity for this work is estimated to be \$52,980 versus \$67,523 if the award for the secondary supplier is made to the nonresponsive firm.

The Honorable Chairman and Members, Pima County Board of Supervisors
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Recommendation

Arizona Style Construction, LLC is the overall low bid and met all requirements of the solicitation. Tron Heating & Cooling, LLC provided the second low *responsive* bid. Staff recommends the Board of Supervisors approve an award to these firms as the primary and secondary. To do otherwise would be unfair to the responsive bidders and undermine the integrity of the public procurement process.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C. Huckleberry", with a long, sweeping underline that extends below the printed name.

C.H. Huckleberry
County Administrator

CHH/mjk – August 8, 2013

c: George Widugiris, Director, Procurement