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**Reaching Out to Potential Bidders: Design and Implementation of the Group  
Jobs Contractor Outreach Program**

Sue Blackman<sup>1</sup> and Ann Mears<sup>2</sup>

<sup>1</sup>Sue Blackman, Senior PIO, City of San Diego Engineering & Capital Projects Department, 600 B Street, Suite 800, San Diego, CA 92101; Phone: (619) 533-4270; Fax: (619) 533-5176; email: sblackman@sandiego.gov

<sup>2</sup>Ann Mears, marketing communications consultant, Public Solutions, 402 West Broadway, Suite 1050, San Diego, CA 92101; Phone: (619) 501-3660; Fax: (619) 501-3667; email: annmears@public-solutions.com

**Abstract:**

This paper discusses the development of a comprehensive Contractor Outreach Program to address a lack of bidders for the City of San Diego's water and sewer pipeline replacement and rehabilitation projects, called "Group Jobs." The Engineering & Capital Projects Department recognized that these projects were receiving only a limited number of bids that were above the project cost estimate; these higher bids meant that the City was paying more than anticipated to complete Group Jobs. This prompted the City to explore ways to inform contractors about Group Job bidding opportunities, and encourage them to bid on these jobs.

Additionally, City representatives identified the need for similar contractor outreach among the Water Capital Improvement Projects division of the Water Department, and an opportunity arose to forge a partnership between the two departments. This partnership resulted in teamwork and cost-sharing across departments to implement the outreach program.

Department representatives and consultants identified market pressures and other reasons accounting for the lack in bidders, and developed a program that applied traditional marketing techniques to a more non-traditional target audience of contractors.

The resulting multi-faceted program was designed to reach the key audiences, inform contractors about Group Jobs and Water Capital Improvement Projects, show them how to bid on a job with the City of San Diego, and then encourage them to begin submitting bids. It included a variety of formats to reach contractors, including print advertising, direct mail, email, and television. It also was designed to incorporate a variety of options to make it easy for contractors to express an interest in Group Jobs: telephone hotline, mail-in cards, fax-in forms, and a Web site.

The paper reviews the program from inception to implementation, including the initial analysis that prompted the creation of the program, through planning the entire program, implementing each step of the plan and evaluating the results of the

program. It is an illustration of how marketing techniques and programs can be applied to the needs of public works agencies and engineering and contracting firms.

## **I. Background:**

### **The City of San Diego**

San Diego is the seventh largest city in the United States and the second largest in California, with over 1.25 million people living within the 342.4 square miles that make up the city. The City of San Diego has 70 miles of coastline, 3,820 miles of streets and alleys, and 4,226 miles of sidewalks.

The City of San Diego was founded in 1769 and chartered in 1850, and is today one of the most ethnically and culturally diverse places in the nation. More than 100 languages are spoken by San Diego residents who have come from all parts of the world to live here. By 2020, the City's population is forecast to be 1.69 million, with 3.85 million people in the entire county.

The San Diego City Council created an initiative in 2001 to more than double the replacement rate of sewer lines, from 20 miles of pipeline per year to 60 miles, making sewer pipeline replacement and rehabilitation a priority and creating an increase in contracts for available water and sewer pipeline replacement projects, called "Group Jobs."

During this time period, as the construction industry boomed in San Diego, contractors became less interested in bidding on these smaller projects with the City. As a result, projects were receiving only a limited number of bids that were above the project cost estimate; these higher bids meant that the City was paying more than anticipated to complete Group Jobs.

The water and sewer pipeline replacement initiative coupled with waning interest from bidders prompted the City to explore ways to inform contractors about Group Jobs bidding opportunities, and encourage them to bid on these jobs.

### **What is a Group Job?**

Group Jobs are unique in that they are relatively small water and sewer pipeline replacement projects (average contract amounts range from \$1-5 million) and each project requires a variety of work types, from trenching to pipeline construction to concrete work. Frequently, a Group Jobs contract may be awarded to a small business enterprise, a disadvantaged business enterprise or a minority-owned business enterprise.

### **What is a Water Capital Improvement Project?**

At the same time that Group Jobs experienced a reduction in bidders, the Water Capital Improvement Projects team of the Water Department was preparing to put

several large capital improvements projects out to bid. They faced different challenges in that their audience was a specialized group of contractors across the nation who are qualified to work on large water treatment or utility projects with contract amounts of \$100 million or more. They were able to incorporate their outreach efforts into the overall program.

## **II. Planning & Development:**

### **Goal**

The ultimate goal of the Contractor Outreach Program for the City of San Diego's Engineering & Capital Projects Department is to increase the pool of qualified bidders on Group Jobs, as well as increase the number of bidders on large Water Capital Improvement projects. Because the City awards work contracts to the lowest qualified bidder, an increase in the pool of qualified bidders will ultimately reduce the contract award amounts and save money for the City of San Diego.

After analysis of their information on recent Group Jobs bidders, the Engineering & Capital Projects Department was faced with a dwindling number of bidders on each Group Job contract, and a corresponding increase in the cost of completing these jobs. The Water CIP division was faced with a similar situation as they advertised their large water treatment plant projects and similar large-scale projects for bid.

Based on feedback from contractors and internal City employees, City representatives realized that in order to increase the number of competitive bidders on Group Jobs and Water CIP projects, they needed to give useful information to contractors on a regular basis, and to streamline the bidding and selection process for contractors.

To design and execute a plan in support of these initiatives, the Engineering & Capital Projects Department retained Public Solutions to focus on developing a multi-faceted outreach program to communicate with contractors on an on-going basis.

City representatives worked with Public Solutions to complete a basic analysis and identification of the target audience, licensed contractors in Southern California; how to reach this audience; and effective deliverables to accomplish the program's goals.

### **Audience**

Records and information from the Engineering & Capital Projects Department about past bidders revealed that most contractors who had submitted bids for a Group Job contract were based in the Southern California area. Based on this information, we decided to spread the word about Group Jobs bidding opportunities outside of San Diego County to assist small contracting firms who are looking to build their business. We targeted 15,000 licensed contractors in five Southern California counties.