

Business Engagement and Compliance

Federal Sources Extend Funds to Arizona Water Projects

Arizona may have ongoing concerns about its water supply, but a deluge of federal funding announcements has come out recently to ensure both the water, and the dollars, keep flowing.

A total of \$12.5 million was secured for three aging infrastructure projects.

The funds provided by the Bureau of Reclamation will go toward modernizing outdated water systems to strengthen long-term reliability. The projects and funding levels are:

- Glen Canyon Outlet Works: \$8.9 million.
- Bypass Drain O&M Access Road Repairs: \$2.5 million.
- Deer Island Backwater Infrastructure Replacement: \$1 million.



NEWLY CERTIFIED DBE FIRMS

- [Cole's Screen Printing](#)
- [Hulxe Construction Services](#)
- [Pippins Enterprises LLC](#)
- [Sunlight Engineers](#)
- [VamosX LLC](#)
- [Zicali Inc.](#)

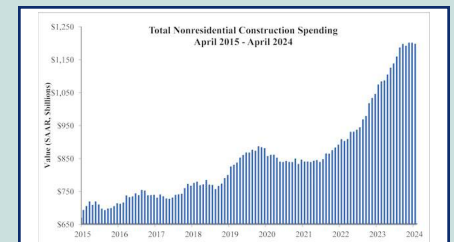
Client Type - Monitor

- Clients served more than 3 years ago
- Prospective clients
- Semi-annual to annual check-ins
- Bottom 10 clients; 1-2 per person
- Approximately 60% of your client list
- Allocate about 10% of your marketing & BD efforts

Balance Business Development Resources for Long-Term Success



May 2024 Construction Backlog, Confidence Dip



Nonresidential Construction Spending Down Slightly in April 2024

- ▶ **EVENTS**
- ▶ **OPPORTUNITIES**
- ▶ **USDOT FINAL RULE UPDATE**
- ▶ **I-17 FLEX LANES OUTREACH**

Federal Sources Extend Funds to Arizona Water Projects (Cont'd)

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The Center Square [quoted](#) U.S. Sen. Kyrsten Sinema as saying, “Arizona’s economy and environment depend on a strong, resilient water supply throughout the American West. Today’s funds upgrade outdated water systems throughout Arizona to secure our water future.”

The Center Square also reported the Bureau of Reclamation has designated \$8.3 billion in water infrastructure improvements across the country.

Maricopa Aquifer Recharge

The city of Maricopa announced it has signed a project partnership agreement that allocated \$6.5 million for an aquifer recharge project in partnership with the U.S. Army Corps of Engineers and Global Water.

Under the agreement, Maricopa’s local aquifers will be recharged with treated water to support the city’s supply and infrastructure needs to meet current and future growth.

According to the announcement, funding was provided under the Water Resources Development Act of 2022. A total of \$19 million was provided for projects in Arizona, 35% of which was dedicated for Maricopa.

Kyrene Water Reclamation Facility Funding

The city of Tempe also announced this week it has signed an agreement for funding to reactivate the Kyrene Water Reclamation Facility in Guadalupe.

Under the agreement, Tempe will partner with the U.S. Army Corps of Engineers and use \$3.5 million in federal funds to prepare the facility for reopening in 2027. Water reclaimed by restarting the plant is expected to contribute to the city’s drought resiliency and increase water supply diversification.



Last Words on Business Development Essentials (for now)

Balance Business Development Resources for Long-Term Success

One of the biggest conundrums for small business design and construction firms is navigating the delicate balance between acquiring new clients and nurturing existing ones. The Business Development (BD) Matrix provides a structured approach to managing this balance, particularly the importance of making strategic choices at the monitoring level.

Here, firms focus on prospective clients and existing clients served more than three years ago. This category typically constitutes about 60% of your client list but should only consume 10% of your marketing and business development efforts. The activities in this category are more about maintaining a presence and building potential future relationships rather than aggressively pursuing immediate opportunities.

The primary activities for monitoring-level ensure that your firm remains on these clients' radars without diverting excessive resources. Maintaining these relationships creates a foundation for potential future work when opportunities arise.

Be aware that overemphasizing seeking new clients can lead to neglecting those in the maintenance and mine categories. These categories involve clients currently engaged with your firm or those served in the past three years. They should represent about 40% of your client list but demand 90% of your marketing and business development efforts. This significant investment is justified by the higher likelihood of securing repeat business and referrals.

Maintaining strong relationships with existing clients helps solidify relationships and uncover new opportunities within their networks. Focusing on existing clients allows for a deeper understanding of their preferences and expectations, enabling your firm to tailor its services more effectively. This approach enhances client satisfaction and increases the probability of repeat business and long-term partnerships.

Back to those monitor clients, which seem to dominate many BD conversations: "What new clients are you cold-calling?" or "I just heard Prospect A has a new project on the street." Take a breath before you decide to go after that unexpected RFP from a client you do not know. Here are some activities that will likely lead to better use of resources, even when you know your team can do that shiny new project:

Business Development Activities for the Monitor Category

Identify Opportunities:

1. **Conduct Market Research:** Regularly review industry reports and publications to identify emerging trends and potential projects that align with your firm's expertise. Evaluate opportunities through the lens of long-term business strategies and core capabilities.
2. **Leverage Existing Relationships:** Use connections from past projects to gain insights into upcoming opportunities within their organizations. One effective way to grow is to extend services with a different buyer (same agency/company) with the same work (core services).
3. **Attend Industry Conferences:** Continue participating in conferences and seminars to network with prospective clients and gather information on future project needs. Aim to meet three new prospects at industry events – not to immediately win a project, but to begin the relationship-developing phase.

Develop Relationships:



Client Type - Monitor

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Identify Opportunities

- Research on current staffing to identify known relationships
- Research on current funding availability, practices

Last Words on Business Development Essentials (for now)

Balance Business Development Resources for Long-Term Success (Cont'd)

1. **Introductory Meetings:** Schedule semi-annual meetings with prospective clients to introduce your firm's capabilities and establish initial rapport. You do not have to comb the bushes every day, week or month. Stay focused on those maintenance clients who have a larger impact on your ongoing business revenues.
2. **Organizational Involvement:** Join industry associations and committees to increase visibility and engage with potential clients in a collaborative setting. Business development is like dating: it takes several meetings to determine if they have the needs and issues that match your firm's areas of expertise.
3. **Networking Events:** Attend and host events where prospective clients are likely to be present, fostering informal discussions that can lead to future business. Remember, you are checking each other out before tying the knot.

Secure Profitable Work:

1. **Tailored Proposals:** Develop customized proposals that address prospective clients' specific needs and concerns, demonstrating a deep understanding of their requirements. If you do not know your prospect well, your proposals will be bland and boilerplate, which does not help you differentiate from their pack of trusted partners.
2. **Capability Presentations:** Offer to showcase your firm's capabilities and past successes to prospective clients, highlighting relevant projects and outcomes. Avoid talking about yourself excessively during these introductory sessions; use the time to learn more about them and their issues.
3. **Feedback Sessions:** After submitting proposals, request feedback from the client to understand their decision-making process and refine future submissions accordingly. Feedback is a gift. Listen carefully to make sure you are a good fit for their needs.

While the allure of new clients is strong, design and construction firms must prioritize their existing relationships to ensure sustained success. The BD Matrix underscores the importance of a balanced approach, where maintaining and mining current clients takes precedence over monitoring prospective ones. By doing so, firms can achieve a more stable and profitable client base, ultimately driving long-term growth.

Develop Relationships

- Introductory meetings
- Organizational involvement with the effort to identify future clients and influencers

Secure Profitable Work

- Rigorous review of capabilities, competition, decision-makers, politics, etc. before the final "go" decision
- Low likelihood of submitting proposals until relationship is developed.
- Minimal effort on submittals
- Debrief on both wins and losses; talk with multiple sources for broader feedback; balance opinions with reliable insight

May 2024 Construction Backlog, Confidence Dip

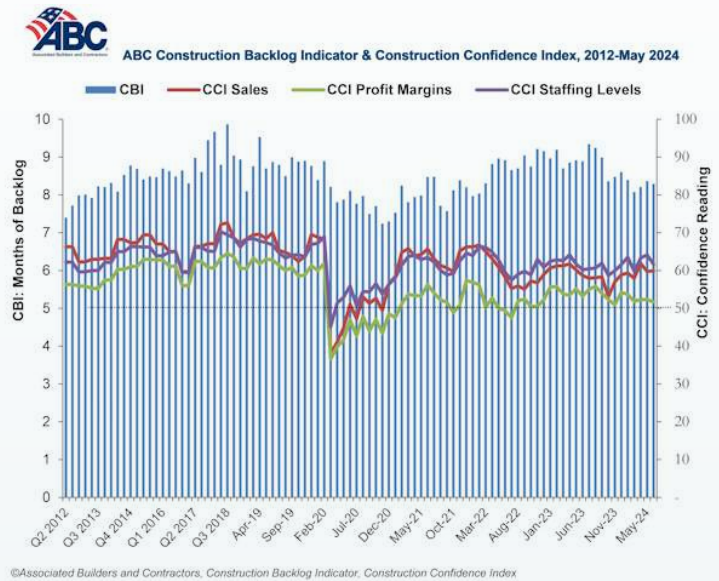
Associated Builders and Contractors (ABC) reported its Construction Backlog Indicator fell to 8.3 months in May, according to an ABC member survey conducted from May 20 to June 4, 2024. The reading is down 0.6 months from May 2023.

Backlog declined on a monthly basis for every company size except those contractors with greater than \$100 million in annual revenues. On an annual basis, backlog is down for contractors of all sizes.

ABC’s Construction Confidence Index readings for profit margins and staffing levels fell slightly in May, while the reading for sales improved. All three readings remain above the threshold of 50, indicating expectations for growth over the next six months.

“Over a year has passed since the Federal Reserve raised the target range of the federal funds rate above 5%,” said ABC Chief Economist Anirban Basu. “Despite widespread expectations that rates will remain elevated through at least the end of the year, contractors remain confident about the future, with a majority of contractors expecting their sales and staffing levels to expand over the next six months.”

“Although backlog has been lower in 2024 than it was during 2023, it has also been stable,” said Basu. “While significant spending activity in manufacturing and infrastructure-related segments has kept contractors busy, input cost escalation has reemerged in recent months. As a result, contractor confidence regarding profit margins has fallen to the lowest level since November 2023.” ([Source](#))

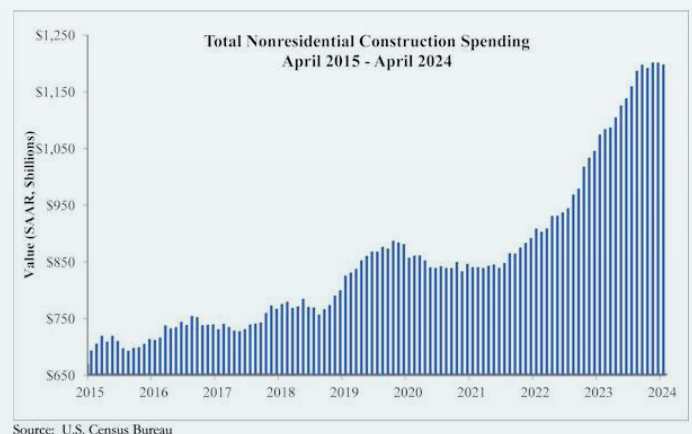


Nonresidential Construction Spending Down Slightly in April 2024

National nonresidential construction spending decreased 0.3% in April, according to an Associated Builders and Contractors (ABC) analysis of data published today by the U.S. Census Bureau. On a seasonally adjusted annualized basis, nonresidential spending totaled \$1.2 trillion.

Spending was down on a monthly basis in 10 of the 16 nonresidential subcategories. Private nonresidential spending decreased 0.3%, while public nonresidential construction spending was down 0.2% in April 2024.

“Nonresidential construction spending fell for the second consecutive month in April but remains just 0.3% below the all-time high established in February,” said ABC Chief Economist Anirban Basu. “An unprecedented increase in manufacturing construction spending has pushed overall nonresidential activity 31.9% higher over the past two years. Ongoing investment in industrial facilities as well as significant infrastructure-related outlays will keep nonresidential spending elevated despite the current expectation that interest rates will stay higher for longer. This outlook is reflected in ABC’s [Construction Confidence Index](#), which shows that a majority of contractors expect their sales to increase over the next two quarters.” ([Source](#))



Business Engagement and Compliance

- ADOT/BECO
- Other Associations

****ATTENTION TO ALL FIRMS****

Need help preparing DBE affidavits?
Please see our tutorial video below:

["Preparing DBE Affidavits"](#)



JUNE

- 25** **AZAEF: June 2024 Member Meeting**
12 - 1:30 p.m.
Location: Virtual
- 26** **APWA: Materials Lab Tour**
11 a.m. - 1 p.m.
Location: Ninyo & Moore
3202 E. Harbour Dr., Phoenix
- 26** **AMCA: Supervisor Development Series Kick-Off and Networking Mixer**
4 - 6 p.m.
Location: McCarthy's Innovation and Craft Workforce Center
411 N. Roosevelt Ave., Chandler
- 26** **NAWIC: Cocktails with the National President**
4 - 5 p.m.
Location: Virtual
- 27** **ASPE: Construction Conditions Panel**
11 a.m. - 2 p.m.
Location: Climatec
2851 W. Kathleen Road, Phoenix
- 28** **PHX: PCA Member (Re)Orientation**
12 - 1 p.m.
Location: Huss Brewing Downtown PHX
225 E. Monroe St., Phoenix

JULY

- 9** **Local First: Back to Basics: Financial Readiness and Well-Being for Small Business**
12 - 1 p.m.
Location: Virtual
- 9** **ASPE: July Educational Meeting**
4 - 6 p.m.
Location: Aunt Chiladas Dreamy Draw Drive
7330 N. Dreamy Draw Dr., Phoenix

Featured Federal-Aid Projects

CURRENT OPEN SOLICITATIONS

Due Date	Project Valuation	DBE Goal	Solicitation / Project Number	Type	Project Owner and Description	Contact
6/28/24 11:00 a.m. MST	\$198 million	9.38%	F031601C; 101-A-(214)T	IFB	ADOT - Widen Roadway, Agua Fria Highway (SR 101L) 75th Avenue to I-17. The work consists of widening the existing SR 101L freeway to add general purpose lanes and restriping I-17/SR 101L Ramp WN and widening NB I-17 to add an additional travel lane.	Iqbal Hossain, Deputy Director of the Multimodal Planning Division, at ihossain@azdot.gov .
6/28/24 11:00 a.m. MST	\$2.39 million	4.97%	SLW-0-(206)T; T046301C	IFB	ADOT - Pavement Rehabilitation, Whipple to State Route 260 on Woolford Road, Show Low. The work consists of removing the existing asphaltic concrete surface course by milling and replacing it with new asphaltic concrete and replacing pavement markings and other related work.	Iqbal Hossain, Deputy Director of the Multimodal Planning Division, at ihossain@azdot.gov .
7/12/24 11:00 a.m. MST	\$3.7 million	8.23%	386-A-(202)T; F064001C	IFB	ADOT - Guardrail and Drainage Improvements, Kitt Peak Highway (SR 386) and Observatory. The work consists of guardrail and guardrail end terminals replacement, drainage improvement, rock fall mitigation and other related work.	Iqbal Hossain, Deputy Director of the Multimodal Planning Division, at ihossain@azdot.gov .
7/12/24 11:00 a.m. MST	\$2.5 million	9.71%	B40-G-(203)T; F054401C	IFB	ADOT - System Preservation, Holbrook Business Route from Crestview Dr. to Joy Nevin Ave. The work consists of removing the existing asphaltic concrete surface course by milling and replacing it with new stone matrix asphaltic concrete and pavement markings, sidewalk ramps, pedestrian access improvements and other related work.	Iqbal Hossain, Deputy Director of the Multimodal Planning Division, at ihossain@azdot.gov .

External Links:

- [ADOT Current Advertisements](#)
- [ADOT Engineering Advertisements](#)
- [ADOT Public-Private Partnership Initiatives](#)
- [ADOT Advertised Alternative Delivery Projects](#)
- [Bidding Opportunities Around the State](#)

DBE SUPPORTIVE SERVICES PROGRAM

1801 W. Jefferson St., Ste. 101, Phoenix AZ
602.712.7761
DBESupportiveServices@azdot.gov

I-17, ANTHEM WAY TI TO JCT. SR 69 (CORDES JUNCTION)



PROJECT OWNER
Arizona Department of Transportation

PROJECT NAME
I-17, Anthem Way TI to Jct. SR 69
(Cordes Junction)
Phoenix – Cordes Junction Highway

Public-Private Partnership
Design-Build-Operate-Maintain
Agreement

PROJECT NUMBER
17 MA 229 H6800 01C / NHPP-017-
A(228)S

DBE participation goal
established for this project:

10.16%
for Professional Services

10.88%
for Construction Work

OUR TEAM

The Kiewit-Fann Joint Venture (KFJV) is a strategic partnership between two trusted Arizona firms that have extensive experience working in rural environments, delivering highway projects. KFJV team members have an extensive history together on successful design-build and CMAR projects and have long-standing relationships with ADOT, local jurisdictions, and the community.

POTENTIAL SUBCONTRACT OPPORTUNITIES

KFJV is seeking diverse and local firms interested in pursuing multiple scopes of work on the I-17 Anthem Way project. The following scopes are open for solicitation:

- Buy PVC & CIP Wall Embeds
- De-lead Existing Bridge Bearings
- Handrail
- Bridge Deck Grooving
- Nursery Stock Trees
- Rock Bolt Walls
- Install Rock Anchors/Shotcrete
- Remove Ground Mounted Signs
- Routine Maintenance - Damaged Sign F&I
- Weld Bearing Replacements
- Slipform & CIP Concrete Barrier
- Flatwork

Attachments: Wage Decision No. AZ20210008 Mod No. 0 - Dated 01/01/2021

TAKE THE FIRST STEPS

Head to <https://www.kiewit.com/business-with-us/opportunities/i-17-anthem-way-project/> to complete the Subcontractor Questionnaire and create an account with Building Connected, or for additional information and future event dates.

QUESTIONS? CONTACT US!

Contact us to learn about anticipated subcontract opportunities on the I-17 Anthem Way project at Flex.Outreach@kiewit.com.

KFJV is committed to meeting or exceeding stated project participation requirements upon award of ongoing and upcoming Arizona Department of Transportation projects; assisting interested DBEs in obtaining bonding, lines of credit or insurance; providing interested DBEs information related to the plans, specifications and requirements for work to be subcontracted or supplied by these DBEs; assisting interested DBEs in obtaining necessary equipment, supplies, materials or related assistance or services; sub-dividing bid items into economically feasible work units to DBEs every advantage to quoting the project.

KFJV is an Equal Opportunity Employer.