

Mayor and Council Communication

DATE: 03/02/21

M&C FILE NUMBER: M&C 21-0146

LOG NAME: 20HARMON CMAR GMP

SUBJECT

(CD 7) Authorize Execution of Amendment No. 1 to City Secretary Contract No. 54169, the Construction Manager at Risk Agreement with McCarthy Building Companies, Inc., Establishing the Guaranteed Maximum Price in the Amount Not to Exceed \$25,216,386.00 for the Construction of the Harmon Road Project, from United States Highway 287/81 to Golden Triangle Boulevard (2018 Bond Program)

RECOMMENDATION:

It is recommended that the City Council authorize execution of Amendment No. 1 to City Secretary Contract No. 54169, the Construction Manager at Risk Agreement with McCarthy Building Companies, Inc., establishing the guaranteed maximum price in the amount not to exceed \$25,216,386.00 for the construction of the Harmon Road project, from United States Highway 287/81 to Golden Triangle Boulevard (City Project No. 100459).

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of Amendment No. 1 to City Secretary Contract No. 54169, the Construction Manager at Risk (CMAR) Agreement with McCarthy Building Companies, Inc., establishing the guaranteed maximum price (GMP) in the amount not to exceed \$25,216,386.00 for the construction of the Harmon Road project, from United States Highway (US) 287/81 to Golden Triangle Boulevard. The total overall project budget is \$36,748,450.00 which includes planning, design, land acquisition, project administration, construction, inspection, testing, utility relocations, and contingencies. The project scope includes the construction of a four-lane arterial street from US 287/81 to Golden Triangle Boulevard, with roundabouts at Presidio Vista Drive, Heritage Trace Parkway and Golden Triangle Boulevard. The project is being funded through the City's 2018 Bond Program and developer contribution.

On May 19, 2020 (M&C 20-0334), the City Council authorized a CMAR Agreement with McCarthy Building Companies, Inc., with a construction phase fee of six and one-half percent (6.5%) of the cost of work within a project construction budget of \$22,000,000.00 to provide CMAR services for the construction of Harmon Road from US 287/81 to Golden Triangle Boulevard. This Amendment No. 1 will establish the GMP in the amount not to exceed \$25,216,386.00 for the construction of the Harmon Road project. The GMP is inclusive of the Cost of Work and the Construction Phase Fee (as defined in the Agreement). Staff considers this increased cost to be fair and reasonable for the full scope of work proposed and recommends increasing the project construction budget to \$25,216,386.00. The overall project budget can absorb this increase to the construction budget. The original \$22,000,000.00 project construction budget was an estimate of direct construction costs and did not include any construction contingency, CMAR fees or general conditions costs as reflected in the proposed GMP.

The GMP consists of eight work categories: WC1 Earthwork and Walls, WC2 Underground Drainage, WC3 Water/Sanitary Sewer, WC4 Electrical, WC5 Paving, WC6 Landscaping, WC7 Integral Colored Concrete, and WC8 Traffic Control to complete the project.

On November 19 and November 26, 2020, McCarthy advertised the work categories seeking best value proposals in the *Fort Worth Star-Telegram*, as well as employed enhanced measures to alert the North Texas contracting community of this bidding opportunity. McCarthy conducted a pre-construction conference on November 30, 2020 and hosted a minority business enterprise outreach event on December 1, 2020.

On December 17, 2020 proposals with bids were received and evaluated by McCarthy based on published factors such as ability to start and complete the project within the project schedule, construction techniques, ability to perform the work and other specific criteria including but not limited to the following:

- Cost
- Safety and accidents rates
- Schedule and work planning
- Financial strength
- Business diversity ordinance compliance
- Qualifications, experience, and references

Contractors have been recommended by McCarthy to staff as offering the best value to McCarthy and the City, with which staff concurs. Where McCarthy Building Companies, Inc. is the recommended contractor for certain work categories (self-performance), the Director of Transportation and Public Works has determined that McCarthy Building Companies, Inc., provides the best value for the City.

This project is included in the 2018 Bond Program. Available resources within the General Fund will be used to provide interim financing until debt is issued. Once debt associated with the project is sold, bond proceeds will reimburse the General Fund in accordance with the statement expressing official Intent to Reimburse that was adopted as part of the ordinance canvassing the bond election (Ordinance No. 23209-05-2018) and subsequent actions taken by the Mayor and Council.

This project is being funded by 2018 Bond Program, the Tax Increment Financing (TIF) 7 Development Agreement and Transportation Impact Fees

as shown in the following table:

Fund	M&C	Amount
2018 Bond Program	G-19306	\$18,000,000.00
SCN 53798 TIF 7 Development Agreement	C-27896	\$12,390,000.00
WS Capital Project 2019	C-28778	\$58,450.00
Transportation Impact Fee Capital Fund	20-0500	\$6,300,000.00
Total		\$36,748,450.00

M/WBE OFFICE - McCarthy Building Companies, Inc. is in compliance with the City's BDE Ordinance by committing to 11% MBE participation on the construction phase services of this CMAR project. The City's MBE goal on the construction phase services of this CMAR project is 11%.

The project is located in COUNCIL DISTRICT 7.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current capital budget, as previously appropriated, in the 2018 Bond Program Fund for the Harmon Rd project to support the approval of the above recommendation and execution of the amendment to the agreement. Prior to any expenditure being incurred, the Transportation and Public Works Department has the responsibility to validate the availability of funds.

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