

# Mayor and Council Communication

**DATE:** 11/19/24

**M&C FILE NUMBER:** M&C 24-1026

**LOG NAME:** 20SOUTH HULEN ST & SOUTH DR W CONSTRUCTION OVERRUNS

**SUBJECT**

(CD 6) Authorize Payment in the Amount of \$558,731.10 to the Texas Department of Transportation Due to Construction Cost OVERRUNS for the South Hulen Street and South Drive West Highway Safety Improvement Project (2022 Bond Program)

**RECOMMENDATION:**

It is recommended that the City Council authorize payment in the amount of \$558,731.10 to the Texas Department of Transportation for construction cost overruns for the South Hulen Street and South Drive West project (City Project No. 104095).

**DISCUSSION:**

The Texas Department of Transportation (TxDOT) and the City routinely enter contracts (Advance Funding Agreements or equivalent forms of contract) for the construction of Highway Safety Improvement projects. The scope of these projects generally includes the design and construction of traffic signals and intersection improvements, including accessible pedestrian signals (APS) and Americans with Disabilities Act (ADA) ramps. Due to the nature of state funding, the contracts require the City to bear all construction cost overruns.

In October 2023, Mayor and Council Communication (M&C) 23-0890 authorized the execution of an Advance Funding Agreement (AFA) with the Texas Department of Transportation (TxDOT) for delivery of the South Hulen Street and South Drive West project (City Project No. 104095).

TxDOT let the South Hulen Street and South Drive West project in August 2024. The bids received for this project were higher than the state-approved construction amount. This M&C will authorize payment for these construction overruns.

This project is included in the 2022 Bond Program. The City's Extendable Commercial Paper (ECP) (M&C 22-0607; Ordinance 25675-08-2022) provides liquidity to support the appropriation. Available resources will be used to make any interim progress payments until debt is issued. Once debt associated with a project is sold, debt proceeds will reimburse the interim financing source in accordance with the statement expressing official Intent to Reimburse that was adopted as part of the ordinance canvassing the bond election (Ordinance 25515-05-2022).

The table below shows the approved construction amount in the executed AFA and the lowest bid received:

Project	Approved Construction	Low Bid Received
104095 – S Hulen St & South Dr West	\$540,346.00	\$1,099,077.10

Funding is budgeted in the 2022 Bond Program Fund for the TPW Dept Highway & Streets Department for the purpose of funding the South Hulen Street and South Drive West project, as appropriated.

This project is located in Council District 6.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Texas Department of Transportation

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the current capital budget, as previously appropriated, in the 2022 Bond Program Fund for the South Hulen Street and South Drive West project to support the approval of the above recommendation and award of the payment. Prior to any expenditure being incurred, the Transportation and Public Works Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:**    Jessica McEachern    5804

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