

Mayor and Council Communication

DATE: 05/14/24

M&C FILE NUMBER: M&C 24-0387

LOG NAME: 20CROMWELL MARINE CREEK ROAD CMAR

SUBJECT

(CD 2 and CD 7) Authorize Execution of Amendment No. 1, to the Construction Manager at Risk Agreement with Sundt Construction, Inc. to Establish the Guaranteed Maximum Price in the Amount Not to Exceed \$44,886,140.31 for Construction of the Cromwell Marine Creek Road Widening and Intersection Improvements Project from Boat Club Road to Marine Creek Parkway, Authorize an Increase to the Project Budget in the Amount of \$21,239,483.92, Adopt Appropriation Ordinances and Amend the Fiscal Years 2024-2028 Capital Improvement Program (2022 Bond Program)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of Amendment No. 1 to City Secretary Contract No. 59041, the Construction Manager at Risk Agreement with Sundt Construction, Inc. establishing the guaranteed maximum price in the amount not to exceed \$44,886,140.31 for construction of the Cromwell Marine Creek Road Widening and Intersection Improvements project from Boat Club Road (FM 1220) to Marine Creek Parkway (City Project No. 101012);
2. Authorize an increase to the project budget in the amount of \$21,239,483.92 for a revised project budget of \$58,479,483.92;
3. Adopt the attached appropriation ordinance adjusting appropriations in the 2018 Bond Program Fund in the amount of \$19,960,328.75 by increasing appropriations in the Cromwell Marine Creek Road Widening and Intersection Improvements project (City Project No. 101012) and by decreasing appropriations in the Authorized, Not Appropriated project (City Project No. U34018) by the same amount;
4. Adopt the attached appropriation ordinance adjusting appropriations in the 2018 Bond Program Fund in the amount of \$1,279,155.17 by increasing appropriations in the Cromwell Marine Creek Road Widening and Intersection Improvements project (City Project No. 101012) and by decreasing appropriations in the Street Construction/Recon/Rehab programmable project (City Project No. PB0001) by the same amount; and
5. Amend the Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of Amendment No. 1 to City Secretary Contract No. 59041, the Construction Manager at Risk (CMAR) Agreement with Sundt Construction, Inc., establishing the guaranteed maximum price (GMP) in the amount not to exceed \$44,886,140.31 for the construction of the Cromwell Marine Creek Road Widening and Intersection Improvements project, from Boat Club Road (FM 1220) to Marine Creek Parkway, and to adopt additional appropriation ordinances to provide funding toward the GMP. The total overall project budget has increased by \$21,239,483.92 and is now \$58,479,483.92 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 Boat Club Road (FM 1220) to Marine Creek Parkway with signalized intersections at Bowman Roberts Road and Huffines Boulevard/Bob Hanger Street. The project is being funded through the City's 2018 and 2022 Bond Programs, Tarrant County 2021 Bond program as well as transportation impact fees.

On December 13, 2022 (M&C 22-1047), the City Council authorized a CMAR Agreement with Sundt Construction, Inc., with a construction phase fee of 5.75% of the cost of work within a projected project budget of \$24,100,000.00 to provide CMAR services for the construction of the project. The original construction budget was a preliminary engineering estimate of construction costs and was based upon 60% design development and prior to the CMAR being under contract. The figure did not include construction contingencies, CMAR fees or General Conditions costs. This Amendment No. 1 will establish the GMP for construction in the amount not to exceed \$44,886,140.31. The GMP is inclusive of the Cost of Work (as defined in the Agreement) and the Construction Phase Fee. Staff evaluated the CMAR's GMP proposal, and negotiated it down to the cost being presented herein. Staff considers the increased cost of the project reasonable for the full scope of work proposed, and recommends approval of the GMP.

The GMP consists of ten work categories to complete the project: WC1-Removals and Earthwork, WC2-Underground Water & Waste Water, WC3-Underground Storm Drainage, WC4-Flatwork, WC5-Traffic Control, WC6-Concrete Paving, WC7-Illumination and Traffic Signals, WC8-Erosion Control and Sodding, WC9-Striping and WC10-Structures.

On November 9 and November 16, 2023, Sundt advertised the work categories seeking best value and low bid proposals in the *Fort Worth Star-Telegram*, as well as employed enhanced measures to alert the North Texas contracting community of this bidding opportunity. Sundt conducted a pre-construction conference on November 16, 2023.

On December 5, 2023 proposals with bids were received and evaluated by Sundt 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 selected by Sundt by virtue of being the lowest bid, or those representing the best value to the project and the City, where work packages were procured in that selection format. Staff has reviewed the recommendations and concurs with the results of the procurement. Where Sundt Construction, Inc. is the recommended contractor for certain work categories (self-performance), the Director of Transportation and Public Works has determined that Sundt Construction, Inc. provides the best value for the City, as recommended by staff.

During the preconstruction phase, the team’s evaluation included an analysis of the construction schedule to ensure an efficient timeline was being projected by Sundt. The preconstruction services effort yielded a combined cost savings to the City of over \$2,500,000.00 prior to the project’s components being put out for bids.

The following table demonstrates the funding history for the project:

Fund	Existing Funding	Additional Funding	Project Total
34018 - 2018 Bond Program Fund	\$8,860,000.00	\$21,239,483.92	\$30,099,483.92
34027 - 2022 Bond Program Fund	\$10,970,000.00	\$0.00	\$10,970,000.00
30108 - Transportation Impact Fee Cap Fund	\$2,730,000.00	\$0.00	\$2,730,000.00
30106 - Intergovernmental Contribution Fund	\$13,910,000.00	\$0.00	\$13,910,000.00
34017 - Tax Note 2017 Fund	\$500,000.00	\$0.00	\$500,000.00
39008 - Trans Impact Fee Cap Legacy Fund	\$270,000.00	\$0.00	\$270,000.00
Project Total	\$37,240,000.00	\$21,239,483.92	\$58,479,483.92

MWBE OFFICE – The M/WBE Office has determined that Sundt Construction, Inc. is in compliance with the City’s BDE Ordinance by committing to 9% MBE participation for the Construction Phase Services of this CMAR project. The City’s MBE goal on the construction phase services of this CMAR project is 6%.

The additional appropriations for this project were not included in the Fiscal Years (FY) 2024-2028 Capital Improvement Plan because the greater magnitude GMP was not known until December 2023, after bids and proposals were received and evaluated by the CMAR. The actions in this M&C will amend the FY 2024-2028 Capital Improvement Program as approved in connection with Ordinance 26453-09-2023.

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 actually 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 project is in COUNCIL DISTRICTS 2 and 7.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Authorized, Not Appropriated project and Street Construction/Recon/Rehab programmable project within the 2018 Bond Program Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the 2018 Bond Program Fund for the Cromwell - Marine Creek project to support the above recommendations and execution of the amendment to the contract. Prior to an expenditure being incurred, the Transportation & Public Works Department has the responsibility of verifying the availability of funds.

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Expedited