

# Mayor and Council Communication

**DATE:** 10/12/21

**M&C FILE NUMBER:** M&C 21-0800

**LOG NAME:** 602018CIPY2C15CO2-TEXASBIT

**SUBJECT**

(CD 8) Authorize Execution of Change Order No. 2 in the Amount of \$392,607.72 and the Addition of 35 Calendar Days to a Contract with Texas Materials Group dba Texas Bit, for Combined Street Paving Improvements, Storm Drain and Water and Sanitary Sewer Main Replacements for 2018 Bond Street Reconstruction Contract 15 Project, for a Revised Contact Amount of \$7,966,449.74 and Adopt Attached Appropriation Ordinances

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of Change Order No. 2 in the amount of \$392,607.72 and the addition of 35 calendar days to City Secretary Contract No. 54278 with Texas Materials Group dba Texas Bit, for combined street paving improvements, storm drain and water and sanitary sewer main replacements for 2018 Bond Street Reconstruction Contract 15 project for a revised contract amount of \$7,966,449.74;
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water and Sewer Capital Projects Fund in the amount of \$114,411.00 transferred from available funds within the Water and Sewer Fund, for the purpose of funding the 2018 Bond Street Reconstruction Contract 15 project (City Project No. 101476);
3. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Stormwater Capital Projects fund by increasing appropriations in the 2018 Bond Street Reconstruction Contract 15 project (City Project No. 101476) in the amount of \$40,000.00 and decreasing estimated receipts and appropriations in the Drainage Improvements programmable project (City Project No. P00043) by the same amount; and
4. Adopt the attached appropriation ordinance adjusting appropriations in the 2018 Bond Program Fund by increasing appropriations in the 2018 Bond Street Reconstruction Contract 15 project in the amount of \$329,808.00 and decreasing appropriations in the Street Construction/Recon/Rehab programmable project (City Project No. PB0001) by the same amount.

**DISCUSSION:**

On June 23, 2020, Mayor and Council Communication (M&C) 20-0456, City Council authorized a contract with Texas Materials Group dba Texas Bit, in the amount of \$7,543,467.02 for the combined street paving improvements, storm drain and water and sanitary sewer main replacements for 2018 Bond Street Reconstruction Contract 15 Project. The contract was subsequently revised by Change Order No. 1 in the amount of \$30,375.00 administratively authorized March 2, 2021 that provided for imported fill material to replace unsuitable trench material.

Due to failure of the concrete base on Essex Street, it is necessary to change the proposed paving procedure subsequent to water and sewer replacement from mill and overlay to pulverize and overlay. Change Order No. 2 will provide the necessary pay items to allow for the change in procedure. The change order will also provide pay item quantities for additional pavement repair beyond the trench width for the water and storm drain lines that are being installed as part of this project. Additional pay items will also be provided to realign a portion of the 4'x3' storm drain box culvert that during construction was determined to directly conflict with a previously unknown fiber optics communication cable.

The staff has reviewed and verified the quantities for the additional work under this Change Order No. 2. Additionally, to complete this work, staff recommends that the contract time be extended by 35 calendar days. Staff recommends use of the remaining project funds and contingency in 2018 Bond Program - Fund 34018 to fund the paving portion of this change order.

This change order will have no impact of the Transportation and Public Works or on the Water Departments' annual operating budget.

Appropriations for the combined street paving improvements, storm drain and water and sanitary sewer main replacements for 2018 Bond Street Reconstruction Contract 15 Project will consist of the following:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
2018 Bond Program - Fund 34018	\$4,873,832.00	\$0.00	\$4,873,832.00
Storm Water Capital Projects Fund - 52002	\$282,500.00	\$40,000.00	\$322,500.00
Water & Sewer Capital Projects - Fund 56002	\$4,792,889.00	\$114,411.00	\$4,907,300.00

Project Total	\$9,949,221.00	\$154,411.00	\$10,103,632.00
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\* Numbers rounded for presentation purposes.

Funds for this project are 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.

Approval of Recommendation 4 would adjust appropriations between a programmable project and convert the 2018 Bond Street Reconstruction Contract 15 into a static capital project. This action is needed as future funding for the 2018 Bond Street Reconstruction Contract 15 is anticipated from other funding sources and the scope of the project differs from that of the current programmable project.

Business Equity: Texas Materials Group, Inc. dba Texas Bit agrees to maintain its initial MBE commitment of 15 percent that it made on the original contract and extend and maintain that same MBE commitment of 15 percent to all prior change orders up to and inclusive of this Change Order No. 2. Therefore Texas Materials Group, Inc. dba Texas Bit remains in compliance with the City's BDE Ordinance and attests to its commitment by its signature on the acceptance of Previous MBE Commitment from executed by an authorized representative of its company.

This project is located in COUNCIL DISTRICT 8.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the current operating budget in the Water & Sewer Fund and in the capital budget for the Drainage Improvement Projects project within the Stormwater Capital Projects Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Stormwater Capital Projects Fund and W&S Capital Projects Fund for the 2018 WSM-J-CIP Contract 15 project to support the approval of the above recommendations and execution of the change order to the contract. Prior to an expenditure being incurred, the Transportation & Public Works and Water Departments have the responsibility of verifying the availability of funds.

**Submitted for City Manager's Office by:** Dana Burghdoff 8018

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