

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 02/25/25 M&C FILE NUMBER: M&C 25-0177

LOG NAME: 2025 RAY WHITE ROAD AMENDMENT 1

SUBJECT

(CD 4) Authorize Execution of Amendment Number 1 to the Construction Manager at Risk Agreement with McCarthy Building Companies, Inc., to Establish the Guaranteed Maximum Price in the Amount of \$21,151,775.00 for Construction of the Ray White Road Widening Improvements Project from Mirage Drive to the Bridge Over Bear Creek (2022 Bond Program)

RECOMMENDATION:

It is recommended that the City Council authorize execution of Amendment No. 1 to the Construction Manager at Risk contract with McCarthy Building Companies, Inc. (City Secretary Number 59397) establishing the Guaranteed Maximum Price in the amount of \$21,151,775.00 for construction of the Ray White Road Widening Improvements project (City Project No. 103270) from Mirage Drive to the Bridge Over Bear Creek.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize the execution of Amendment No.1 to the City Secretary Contract Number 59397, the Construction Manager at Risk (CMAR) Agreement with McCarthy Building Companies, Inc. (McCarthy), establishing the guaranteed maximum price (GMP) in the amount of \$21,151,775.00 for the construction of the Ray White Road Widening Improvements from Mirage Drive to the Bridge Over Bear Creek with a roundabout modification at Wyndrook Street, a signalized intersection at Wall Price Road, streetlights, and shared used paths. The GMP includes the CMAR Construction Management Fee. It also includes an Owner's Allowance and CMAR Contingencies. Staff evaluated the CMAR's GMP proposal and had an Independent Cost Estimate (ICE) performed. The ICE found the GMP's elements to be competitive and reasonable, therefore staff recommends approval of the GMP. The GMP consists of General Works and 8 work categories (WC) to complete the project: WC1 - Earthwork and Demolition, WC2 - Concrete Paving, WC3 - Storm Sewer, WC4 - Sanitary Sewer, WC5 – Electrical, WC6 – Landscaping, WC7 – Traffic Control, and WC8 - Flatwork.

On February 28, 2023 (M&C 23-0157), the City Council authorized a CMAR Agreement with McCarthy with a pre-construction phase fee of \$158,000.00, and a construction phase fee of 6.25% of the cost of work within a then-projected construction budget of \$13,256,000.00 and project budget of \$25,855,000.00. The original construction budget was a preliminary engineering estimate of construction costs and was based upon 30% design development. The estimate did not include construction contingencies, CMAR fees, or General Conditions costs. During development of the final design and the GMP, costs have increased in the amount of \$7,895,775.00. The construction budget has been increased to align with the GMP. The total overall project budget is now \$29,255,000.00 (see table, below), which includes planning, design, land acquisition, project administration, construction inspection and materials testing, utility relocations, and contingencies. The project is funded through the City's 2022 Bond Program, Transportation Impact Fees, Developer Contributions, and Street Improvement fees. There remains \$8,103,225.00 in the project budget for the additional costs, contingencies and City obligated expenditures described above.

On September 5 and September 12, 2024, 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. On September 27, 2024, proposals 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 cost, safety and accident rates, schedule and working planning, financial strength, business diversity ordinance compliance, qualifications, experience and references.

McCarthy selected contractors representing the best value to the project and the City based on the proposal evaluations. Staff has reviewed the recommendations and concurs with the results of the procurement. Where McCarthy is the recommended contractor for certain work categories (self-performance), the Director of Transportation and Public Works has determined that McCarthy provides the best value for the City, as recommended by staff. During the pre-construction phase, the team's evaluation included an analysis of the construction schedule to ensure an efficient timeline was being projected by McCarthy.

The following table demonstrates the funding history for the project:

Fund	Existing Funding	Additional Funding	Project Total
34027- 2022 Bond Program	\$23,305,000.00	\$0.00	\$23,305,000.00
30108 – Transportation	\$1,000,000.00	\$0.00	\$1,000,000.00

Impact Fee Cap			
30104 - Developer Contribution	\$1,800,000.00	\$0.00	\$1,800,000.00
39403 - Street Improvements	\$250,000.00	\$0.00	\$250,000.00
Transportation Impact Fee Capital and Capital Legacy Fund (M&C 25-0032)	\$2,900,000.00	\$0.00	\$2,900,000.00
<b>Project Total</b>	<b>\$29,255,000.00</b>	<b>\$0.00</b>	<b>\$29,255,000.00</b>

The actions in this M&C will not amend the 2025-2029 Capital Improvement Program. All funds are currently in the project budget as shown in the table above. Funding is budgeted in the 2022 Bond Program Fund for the TPW Dept Highway & Streets Department for the purpose of funding the Ray White Road project, as appropriated.

The Business Equity Division placed a 15% business equity goal on this solicitation/ contract. McCarthy Building Companies, Inc., will be exceeding the goal at 16.10%, meeting the City's Business Equity Ordinance. Any changes in subcontractors will be reviewed by the Business Equity Division.

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 the 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 DISTRICT 4.

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#### **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 Ray White Road project to support the approval of the above recommendation and execution of the amendment. 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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