



# City of San Antonio

## Legislation Details (With Text)

**File #:** 19-1448  
**Type:** Capital Improvements  
**In control:** City Council A Session  
**On agenda:** 1/17/2019  
**Title:** Ordinance awarding a construction contract with J3 Company, LLC in the amount of \$20,763,251.51 of which \$3,275,964.00 will be reimbursed by the Port Authority of San Antonio for sanitary sewer improvements.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Project Map, 2. Bid Tabulations, 3. Port San Antonio ILA, 4. Ordinance 2019-01-17-0025

Date	Ver.	Action By	Action	Result
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**DEPARTMENT:** Transportation & Capital Improvements

**DEPARTMENT HEAD:** Razi Hosseini, P.E.

**COUNCIL DISTRICTS IMPACTED:** 4

### SUBJECT:

Interlocal Agreement & Construction Award: Port San Antonio (2017 Bond Project)

### SUMMARY:

Consideration of the following items related to Port San Antonio, a 2017 - 2022 General Obligation Bond funded Project, located in Council District 4:

- A. An ordinance authorizing the execution of an Interlocal Agreement between the City of San Antonio and the Port Authority of San Antonio in the amount of \$24,000,000.00, of which funds in the amount not to exceed \$993,667.00 will be reimbursed to the Port Authority of San Antonio for construction phase design services and preconstruction utility adjustments and the remaining amount of \$23,006,333.00 will be retained by the City for construction and construction related activities of the Port San Antonio project.
- B. An ordinance accepting the lowest responsive bid and awarding a construction contract in the amount of \$20,763,251.51 authorized payable to J3 Company, LLC; of which \$3,275,964.00 will be reimbursed by

the Port Authority of San Antonio for sanitary sewer improvements.

## **BACKGROUND INFORMATION:**

### Project Background

On May 6, 2017, San Antonio voters approved the City of San Antonio's 2017-2022 Bond Program, of which \$24,000,000.00 was approved for drainage improvements associated with the Port San Antonio Project. These funds will be used toward construction of the project, construction oversight and the reimbursement of construction phase design services and utility adjustments.

This project is a continuation of the City of San Antonio's commitment to provide an adequate storm water system on the Port Authority of San Antonio's property to reduce on-going flooding risks. The project expands the 36th Street Phase IIIB (Billy Mitchell to General Hudnell) drainage infrastructure built as part of the 2012 General Obligation Bond. Project construction is anticipated to begin in January 2019 and is estimated to be completed in May 2021.

In partnership with the City, the Port Authority of San Antonio agreed to manage and fund the design phase of the project, including the necessary environmental services, and manage the preconstruction utility adjustments. In return, the City agreed to manage and fund the construction phase of the Port San Antonio Project and fund the preconstruction utility adjustments. After construction is complete, the improvements will continue to be maintained by the Port Authority of San Antonio.

### Procurement of Services

This project was advertised for construction bids in the San Antonio Hart Beat, on the City's website and the Texas Electronic State Business Daily in August 2018. In addition, the bid announcement was made on TVSA and through the Small Business Economic Development Advocacy (SBEDA) Office. Plans were available through an online bidding service, CivCast. Bids for this project were opened on October 16, 2018 and four (4) bidders responded. Of these, J3 Company, LLC submitted the lowest responsive bid. A matrix of the bid outcome is included herein as an attachment.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a 25% Minority/Women Business Enterprise (M/WBE) and a 3% African-American Owned Business Enterprise (AABE) subcontracting goal. J3 Company, LLC has agreed to meet the subcontracting goals.

This construction contract was developed utilizing the low bid process; therefore, a Discretionary Contracts Disclosure Form is not required.

## **ISSUE:**

This item requests the following actions related to the Port San Antonio, a 2017 - 2022 General Obligation Bond funded Project, located in Council District 4:

- A. This ordinance authorizes the execution of an Interlocal Agreement between the City of San Antonio and the Port Authority of San Antonio in the amount of \$24,000,000.00, of which funds in the amount

not to exceed \$993,667.00 will be reimbursed to the Port Authority of San Antonio for construction phase design services and preconstruction utility adjustments and the remaining amount of \$23,006,333.00 will be retained by the City for construction and construction related activities of the Port San Antonio project.

The Port Authority of San Antonio contracted with the Consultant, Pape Dawson Engineers, to design the project. The City of San Antonio will reimburse the Port Authority of San Antonio in the amount of \$400,000.00 for construction phase design services for the Consultant to assist with engineering services through the construction phase.

The City of San Antonio will reimburse the Port Authority in the amount of \$593,667.00 for preconstruction utility adjustments. To expedite the project, these adjustments are completed before the start of construction to prevent delays and additional costs.

- B. This ordinance accepts the lowest responsive bid and awards a construction contract in the amount of \$20,763,251.51 authorized payable to J3 Company, LLC; of which \$3,275,964.00 will be reimbursed by the Port Authority of San Antonio for sanitary sewer improvements.

As per the Interlocal Agreement between the City of San Antonio and the Port Authority of San Antonio, the City has agreed to fund the utility adjustments, including SAWS water, SAWS sewer, CPS Energy gas and the preconstruction utilities. The only exception is a separate agreement between the Port Authority of San Antonio and SAWS to convert existing lift stations to a new sewer system. SAWS has agreed to pay the Port Authority of San Antonio for the design and construction of these specific improvements. The Port Authority of San Antonio will reimburse the City for the joint-bid construction of these improvements in the amount of \$3,275,964.00.

The project will construct a new 1.2 mile concrete drainage channel which will reside in the Port Authority of San Antonio's right-of-way. The drainage system will include supporting underground storm water facilities, utility relocations, demolition of five (5) structures conflicting with proposed improvements and residual roadway work.

In addition to the base bid services, this contract will award three additive alternates. The first two additive alternates, extend the storm water facilities to the Thompson Place and Project Tech drainage areas. This work includes SAWS water, SAWS sewer and CPS Energy gas adjustments. The third additive alternate directs the contractor to remove the existing concrete excavated and store at a specific location on Port Authority property for future use, instead of hauling to a landfill.

Project construction is anticipated to begin in January 2019 and is estimated to be completed in May 2021.

## ALTERNATIVES:

- A. City Council could choose not to approve the Interlocal Agreement; however, without the Port Authority of San Antonio's authorization to enter and construct within its right-of-way, the City cannot complete the project.
- B. As an alternative, this project could be delivered utilizing another delivery method. However, considering the additional time required for another solicitation process, this would adversely affect the

timely completion of the project.

**FISCAL IMPACT:**

- A. This a one-time capital improvement expenditure in the amount of \$993,667.00, to reimburse the Port Authority of San Antonio. Funds are available from 2017-2022 General Obligation Bond funds and are included in the FY 2019-2024 Capital Improvement Budget.
- B. This is a one-time capital improvement expenditure in the amount of \$20,763,251.51 authorized payable to J3 Company, LLC; of this total contract amount, funds in the amount of \$17,487,287.51 will be funded by the City, and \$3,275,964.00 will be reimbursed by the Port Authority of San Antonio for construction of Port San Antonio Project. Funds are available from 2017-2022 General Obligation Bond funds and are included in the FY 2019-2024 Capital Improvement Program.

**RECOMMENDATION:**

Staff recommends approval of the following items related to the Port San Antonio, a 2017 - 2022 Bond funded project:

- A. An ordinance authorizing the execution of an Interlocal Agreement between the City of San Antonio and the Port Authority of San Antonio in the amount of \$24,000,000.00, of which funds an amount not to exceed \$993,667.00 will be reimbursed to the Port Authority of San Antonio for construction phase design services and preconstruction utility adjustments and the remaining amount of \$23,006,333.00 will be retained by the City for construction and construction related activities of the Port San Antonio project.
- B. An ordinance accepting the lowest responsive bid and awarding a construction contract in the amount of \$20,763,251.51 authorized payable to J3 Company, LLC; of which \$3,275,964.00 will be reimbursed by the Port Authority of San Antonio for sanitary sewer improvements.