



# City of San Antonio

## Legislation Details (With Text)

**File #:** 20-6451

**Type:** Capital Improvements

**In control:** City Council A Session

**On agenda:** 11/5/2020

**Title:** Ordinance approving a City requested deductive change order in the decreased amount of \$666,892.34 with J3 Company, LLC for the removal of the demolition of a building structure from the Port San Antonio project, a 2017 Bond funded drainage project.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Map\_Port SA Change Orders, 2. Draft Ordinance - Part A, 3. Draft Ordinance - Part B, 4. Draft Ordinance - Part C, 5. Ordinance 2020-11-05-0785

Date	Ver.	Action By	Action	Result
11/5/2020	1	City Council A Session		

**DEPARTMENT:** Public Works

**DEPARTMENT HEAD:** Razi Hosseini, P.E., R.P.L.S.

**COUNCIL DISTRICTS IMPACTED:** Council District 4

**SUBJECT:**

Change Orders: Port San Antonio (2017 Bond Project)

**SUMMARY:**

Consideration of the following items related to the Port San Antonio project, a 2017 Bond funded drainage project, located in Council District 4:

- A. An ordinance approving a utility related change order in the increased amount of \$152,370.68 and authorizing payment to J3 Company, LLC for the Port San Antonio project, a 2017 Bond funded drainage project; of which \$152,370.68 will be reimbursed by the Port Authority of San Antonio for construction services related to the project’s sanitary sewer system.
- B. An ordinance approving three City requested change orders in the total increased amount of \$1,216,713.69 and authorizing payment to J3 Company, LLC for work related to the construction of the drainage channel associated with Port San Antonio project, a 2017 Bond funded drainage project.

C. An ordinance approving a City requested deductive change order in the decreased amount of \$666,892.34 with J3 Company, LLC for the removal of the demolition of a building structure from the Port San Antonio project, a 2017 Bond funded drainage project.

**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 are being used toward the construction of the project, construction oversight, and the reimbursement of construction phase design services and utility adjustments.

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 contribute \$24,000,000.00 toward the construction and provide construction management services for the Port San Antonio project and to fund the preconstruction utility adjustments. After construction is complete, the improvements will be maintained by the Port Authority of San Antonio.

As part of the Interlocal Agreement between the Port Authority and the City, the City will not be required to contribute any funds in excess of the \$24,000,000.00. The Port Authority of San Antonio is responsible for all costs in excess of the City’s contribution. To maintain the overall budget, project adjustments will continue to be coordinated and evaluated by the City and the Port Authority of San Antonio.

This project is a continuation of the City of San Antonio’s commitment to providing an adequate storm water system to reduce on-going flooding risks within the City. 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 began in February 2019 and is estimated to be completed by May 2022.

Previous Council Action

A previously executed contract with J3 Company, LLC for \$20,763,251.51 for the construction of 2017 Bond Port Authority drainage project was approved by City Council on January 17, 2019 through Ordinance 2019-01-17-0025. Change orders have increased the contract by \$886,349.39. The proposed change orders will increase the contract capacity by \$702,192.03 to a revised contract amount of \$22,351,792.93.

The following table illustrates the change orders which have occurred since construction on this project began:

<b>Item</b>	<b>Amount</b>
Original Contract Value	\$20,763,251.51
Previous Change Orders	\$ 886,349.39
Proposed Change Orders	\$ 702,192.03
Revised Contract Value	\$22,351,792.93

These change orders will compensate the contractor for the time and work associated with the redesign of the drainage channel and the mitigation efforts expended to address impacted groundwater and soil encountered during construction of the project. All of these change orders were negotiated in coordination with the Port Authority of San Antonio.

**ISSUE:**

Consideration of the following items related to the Port San Antonio Project, a 2017 Bond funded drainage project, located in Council District 4:

- A. This ordinance approves a utility related change order in the increased amount of \$152,370.68 and authorizes payment to J3 Company, LLC for the Port San Antonio project, a 2017 Bond funded drainage project; of which \$152,370.68 will be reimbursed by the Port Authority of San Antonio for construction services related to the project's sanitary sewer system.

The utility related change order, requested by San Antonio Water System (SAWS), is in the amount of \$152,370.68. During the construction of the sanitary sewer system, the contractor encountered excessive amounts of impacted groundwater. Due to the environmental sensitivity of the project area, the contractor was requested to mitigate the area which required the contractor to collect and properly dispose of the groundwater. The costs for the groundwater handling and its disposal was significant and exceeded the planned budget for these efforts. With this, the project was stopped at the request of the City and the United States Air Force (USAF) for the consultant to re-evaluate the project design of the drainage channel. As a result of the evaluation, it was determined that the sanitary sewer system was designed within the existing impacted groundwater table. To correct, SAWS requested the sanitary sewer system be re-designed above the groundwater table. This change order will compensate the contractor for the work and time associated with the mitigation efforts expended to address impacted groundwater and soil encountered during construction of the project.

- B. This ordinance approves three City requested change orders in the total increased amount of \$1,216,713.69 and authorizes payment to J3 Company, LLC for work related to the construction of the drainage channel associated with Port San Antonio project, a 2017 Bond funded drainage project.

The first change order, requested by the City, will compensate the contractor for the work associated with the revisions to be completed as part of the redesigned drainage channel. During the construction of the sanitary sewer system, the contractor encountered excessive amounts of impacted groundwater. As a result, the City and USAF required the consultant to re-evaluate the design of the drainage channel specifically the groundwater table and elevation. Consequently, it was determined that the drainage channel had to be redesigned so that the channel was above the groundwater table. The revisions to the design included raising the elevation of the bottom-of-channel, adding a water barrier, and increasing the thickness of the channel floor.

The second change order, requested by the City, will rectify bid quantity overruns attributed to unforeseen groundwater issues. The original project plans did not reflect the amount of impacted groundwater and soil the project would encounter. The costs associated with handling these impacted materials significantly overran their original budgets. This change order will resolve these quantity overruns.

The third change order, requested by the City, will rectify the bid quantity overrun for the associated box culvert excavation. This change order increases the quantity of the pay item to the actual quantity the contractor will excavate for the box culverts.

- C. This ordinance approves a City requested deductive change order in the decreased amount of \$666,892.34 with J3 Company, LLC for the removal of the demolition of a building structure from the Port

San Antonio project, a 2017 Bond funded drainage project.

Given the revisions of the drainage channel and the sanitary sewer system, the Port Authority of San Antonio and the City have jointly decided to remove the demolition of a building structure. This scope change allows the City's project budget and contribution of \$24,000,000.00 to focus on the primary scope of work, which is the drainage channel and will allow the project to be completed.

**ALTERNATIVES:**

- A. As an alternative, City Council could require staff to complete a bid process for the work. However, this change order will be reimbursed by the Port Authority of San Antonio. This could lead to delays of the project and potentially an increased cost of the work. The most cost effective option is to approve this change order.
- B. As an alternative, City Council could require staff to complete a bid process for the work. However, this could lead to further delays extending the timeline of the project and potentially an increased cost of the work.
- C. As an alternative, City Council could require staff to leave the demolition of a building structure in the project. However, that would lead to potential funding issues resulting in the project to exceed its budget of \$24,000,000.00.

**FISCAL IMPACT:**

- A. This is a one-time capital improvement expenditure in the amount of \$152,370.68 payable to J3 Company, LLC for construction services related to the sanitary sewer utility change order. Funds are available from 2017 General Obligation Bond Program and are included in FY 2021 - FY 2026 Capital Improvement Program. This ordinance also authorizes the acceptance of reimbursed funds in the additional amount not to exceed \$152,370.68 from the Port Authority of San Antonio for construction services related to a sanitary sewer change order.
- B. This is a one-time capital improvement expenditure in the amount of \$1,216,713.69 payable to J3 Company, LLC for three change orders related to the redesign and construction of the drainage channel associated with Port San Antonio project. Funds are available from 2017 General Obligation Bond Program and are included in FY 2021 - FY 2026 Capital Improvement Program.
- C. This ordinance will reduce the construction contract with J3 Company, LLC by \$666,892.34 to a revised contract amount of \$22,351,792.93.

**RECOMMENDATION:**

Staff recommends approval of the following items related to the Port San Antonio Project, a 2017 Bond funded drainage project, located in Council District 4:

- A. Staff recommends approval of the execution of a utility change order, in the increased amount not to exceed \$152,370.68 and acceptance of reimbursement from the Port Authority of San Antonio for

construction services related to the project's sanitary sewer system.

- B. Staff recommends approval of the execution of three change orders in the total increased amount not to exceed \$1,216,713.69 related to the construction of the drainage channel associated with Port San Antonio project.
- C. Staff recommends approval of the execution of a deductive change order in the decreased amount of \$666,892.34 with J3 Company, LLC for the removal of the demolition of a building structure from the Port San Antonio project.