



City of San Antonio

Agenda Memorandum

File Number:19-3309

Agenda Item Number: 6.

Agenda Date: 5/9/2019

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

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

COUNCIL DISTRICTS IMPACTED: 2

SUBJECT:

Contract Award: S. Foster Road (Rigsby to 4,000' N) Project Phase 1

SUMMARY:

An ordinance accepting the lowest responsive bid and awarding a construction contract including an additive alternate in the amount of \$4,367,118.02 authorized payable to Texas Sterling Construction Co. of which \$385,261.00 will be reimbursed by San Antonio Water System (SAWS) and \$125,559.15 will be reimbursed by CPS Energy for necessary adjustments to their existing infrastructure for Phase 1 of the S. Foster Road (Rigsby to 4,000' N) Project. Funds are available from 2012 General Obligation Street Improvement Bond, 2016 Certificates of Obligation, 2016 Tax Notes, 2017 Tax Notes and General Funds and are included in the 2019 Fiscal Year Capital Budget.

BACKGROUND INFORMATION:

Project Background

H-E-B is Texas' largest food retailer in South and Central Texas and operates 400 retail stores in Texas and Mexico. In addition to making the Forbes list as one of "America's Best Employers" in 2017, H-E-B is one of the largest philanthropic companies in Texas donating 5% of pretax earnings to Texas non-profit organizations.

On May 17, 2018, City Council approved City of San Antonio development waivers and SAWS water and sewer impact fees in connection with a substantial H-E-B hub expansion at the southwest corner of East Houston Street and South Foster Road in Council District 2. H-E-B plans to invest at least \$130 million at this site over a three-year period to be the largest single-build warehouse in its supply-chain division. H-E-B is also

developing a master plan for future expansions and investments at the site.

Foster Road, adjacent to this H-E-B distribution center, is undersized for the increased activity anticipated as a result of the expansion. Improvements to Foster Road will address the substantial development in the area as part of the Master Thoroughfare Plan (MTP).

On June 21, 2018, City Council approved an ordinance authorizing the execution of a Funding Agreement between the City of San Antonio and H-E-B in an amount not to exceed \$800,000.00 for the engineering and design of street improvements to Foster Road in support of the City's Master Thoroughfare Plan (MTP) including the expansion of H-E-B's distribution center at the southwest corner of East Houston and South Foster Road, in Council District 2. H-E-B has since then started the engineering and design work allowing for the construction of Foster Road improvements to coincide with the expansion of the H-E-B distribution center.

On September 13, 2018, City Council approved the City of San Antonio's 2019 Fiscal Year Budget of which \$4,300,000.00 was approved for roadway and drainage improvements associated with Phase 1 of the S. Foster Road (Rigsby to 4,000' N) Project.

The Project is a continuation of the City of San Antonio's commitment to provide an adequate roadway size for the increased activity anticipated as a result of the development within the area.

As part of the Funding Agreement, H-E-B will be managing and funding the design phase of the project including the necessary environmental services and preconstruction utility adjustments and the City will manage and fund the construction phases of the Project.

Procurement of Services

This project was advertised for construction bids in the San Antonio Hart Beat, on the City's website, on TVSA, through the Small Business Economic Development Advocacy (SBEDA) and through the electronic bidding site CIVCAST. Bids for this project were opened on April 23, 2019 and three (3) bidders responded. Of these, Texas Sterling Construction Co. 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 24% Minority/Women Business Enterprise (M/WBE) and a 1% African-American Owned Business Enterprise (AABE) subcontracting goal.

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

ISSUE:

This ordinance accepts the lowest responsive bid and awards a construction contract, including an additive alternate, in the amount of \$4,367,118.02 authorized payable to Texas Sterling Construction Co. of which \$385,261.00 will be reimbursed by San Antonio Water System (SAWS) and \$125,559.15 will be reimbursed by CPS Energy for necessary adjustments to their existing infrastructure for Phase 1 of the S. Foster Road (Rigsby to 4,000' N) Project.

The scope of the Project includes widening the existing 26-foot wide, two-lane roadway to a proposed 50-foot

wide, four-lane roadway with roadside drainage ditches, driveway culverts, driveways, box culvert crossings, traffic signal improvements and reconstruction of a left turn lane on Risby and relocation of a traffic signal to accommodate for the Foster Road widening. SAWS and CPS Energy adjustments are included as part of the work. The additive alternate will include the connecting roadway improvements between Rigsby Road and Foster Road intersection for Phase 1 of this project. Project construction of Phase 1 is anticipated to begin in June 2019 and is estimated to be completed in June 2020.

ALTERNATIVES:

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:

This is a one-time capital improvement expenditure in the amount of \$4,367,118.02 authorized payable to Texas Sterling Construction Co. of which \$385,261.00 will be reimbursed by San Antonio Water System (SAWS) and \$125,559.15 will be reimbursed by CPS Energy for necessary adjustments to their existing infrastructure for Phase 1 of the S. Foster Road (Rigsby to 4,000' N) Project. Funds are available from 2012 General Obligation Street Improvement Bond, 2016 Certificates of Obligation, 2016 Tax Notes, 2017 Tax Notes and General Funds and are included in the FY 2019-2024 Capital Improvement Budget.

RECOMMENDATION:

Staff recommends approval of the construction contract in the amount \$4,367,118.02 authorized payable to Texas Sterling Construction Co. for Phase 1 of the S. Foster Road (Rigsby to 4,000' N) Project.