



# City of San Antonio

## Agenda Memorandum

**File Number:**20-7037

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**Agenda Item Number:** 13B.

**Agenda Date:** 12/3/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Public Works

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

**COUNCIL DISTRICTS IMPACTED:** Council District 9

### **SUBJECT:**

Contract Award & Deductive Change Order: Auldine Drive & Burr Oak Drive (Alley to Outfall) (2017 Bond Project)

### **SUMMARY:**

Consideration of the following items related to the Auldine Drive & Burr Oak Drive (Alley to Outfall) project, a 2017 Bond and Storm Water Operating funded drainage project, located in Council District 9:

- A. An ordinance accepting the lowest responsive bid and awarding a construction contract including an additive alternate to Clearfield Construction, LLC in the amount of \$3,076,644.60 of which \$372,650.10 will be reimbursed by San Antonio Water System and \$227,770.00 will be reimbursed by CPS Energy for the Auldine Drive & Burr Oak Drive (Alley to Outfall) project, a 2017 Bond and Storm Water Operating funded drainage project, located in Council District 9. Funds are available from the 2017 - 2022 General Obligation Bond Program and the Storm Water Operating Fund and are included in the FY 2021 - FY 2026 Capital Improvement Program.
- B. An ordinance approving a City requested deductive change order in the decreased amount of \$275,804.00 for a revised total contract amount of \$2,800,840.60 with Clearfield Construction, LLC for the Auldine Drive & Burr Oak Drive (Alley to Outfall) project, a 2017 Bond and Storm Water Operating funded drainage project, located in Council District 9.

## BACKGROUND INFORMATION:

### Project Background

On May 6, 2017, voters approved the 2017 Bond Program which authorized \$2,800,000.00 for drainage improvements for the Auldine Drive & Burr Oak Drive (Alley to Outfall) project located in Council District 9. As part of the adopted FY 2020 budget, Storm Water Operating funds in the amount of \$701,000.00 were approved for this project. The project will provide for the reconstruction of the alleyway between Auldine Drive and Burr Oak Drive including improvements to the existing storm drain system and outfall located in the Dreamland Oaks area. The additive alternate (1) accepted as part of this contract will include the construction of an additional 326 feet of underground drainage improvements along Burr Oak Drive to Barefield Road. Project construction is anticipated to begin in January 2021 and is estimated to be completed in November 2021.

### Procurement of Services

This project was advertised on June 10, 2020, for construction bids in the following media: San Antonio Hart Beat, on the City's website, on the Texas Electronic State Business Daily, on TVSA, and through the electronic bidding site CivCast. Bids were opened on Friday, July 10, 2020, and three (3) bids were received. Of these, Clearfield Construction, LLC submitted the lowest responsive bid as indicated in the included matrix.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts to be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract 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) subcontracting goal and a 4% African American Business Enterprise (AABE) subcontracting goal. Clearfield Construction, LLC has committed to meeting the subcontractor participation goals.

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

### Deductive Change Order

To adequately address the drainage in the Auldine Drive and Burr Oak Drive area, the City incorporated an additional 326 feet of underground drainage improvements along Burr Oak Drive to Barefield Road as additive alternate work. However, the bids received for the construction of the Auldine Drive & Burr Oak Drive (Alley to Outfall) project were over the project's budget. To proceed with the construction of the project within the approved budget, portions of the work associated with the additive alternate (1) roadway, landscaping, and right-of-way prep included in the original scope of work and bid documents are being value-engineered through this proposed City-requested deductive change order. The proposed City-requested deductive change order will decrease the contract amount by \$275,804.00 to a revised total contract amount of \$2,800,840.60.

The following table illustrates the proposed deductive change order and resulting revised contract value:

Item	Amount
Original Contract Value	\$ 3,076,644.60
Proposed Change Order ( <i>Deductive</i> )	\$ (275,804.00)
Revised Contract Value	\$ 2,800,840.60

The joint-bid utility sewer and water work associated with the additive alternate (1) will still be completed as part of the project. The portions of the work associated with additive alternate (1) roadway, landscaping and

right-of-way prep that will be removed from the contract will be completed as a separate project at a later date as funding becomes available.

## **ISSUE:**

- A. This ordinance accepts the lowest responsive bid and awards a construction contract including an additive alternate to Clearfield Construction, LLC in the amount of \$3,076,644.60 of which \$372,650.10 will be reimbursed by San Antonio Water System and \$227,770.00 will be reimbursed by CPS Energy for the Auldine Drive & Burr Oak Drive (Alley to Outfall) project, a 2017 Bond and Storm Water Operating funded drainage project, located in Council District 9. Funds are available from the 2017 - 2022 General Obligation Bond Program and the Storm Water Operating Fund and are included in the FY 2021 - FY 2026 Capital Improvement Program.

This project will provide for the reconstruction of the alleyway between Auldine Drive and Burr Oak Drive including improvements to the existing storm drain system with a new concrete section and upgraded box culverts as well as enhancements to the outfall located in the Dreamland Oaks area including curbs, sidewalks and driveways as appropriate. The project will also include joint-bid utility sewer, water, and gas line work. The additive alternate (1) accepted as part of this contract will include the construction of an additional 326 feet of underground drainage improvements along Burr Oak Drive to Barefield Road. Project construction is anticipated to begin in January 2021 and is estimated to be completed in November 2021.

- B. This ordinance approves a City requested deductive change order in the decreased amount of \$275,804.00 for a revised total contract amount of \$2,800,840.60 with Clearfield Construction, LLC for the Auldine Drive & Burr Oak Drive (Alley to Outfall) project, a 2017 Bond and Storm Water Operating funded drainage project, located in Council District 9.

To adequately address the drainage in the Auldine Drive and Burr Oak Drive area, the City incorporated an additional 326 feet of underground drainage improvements along Burr Oak Drive to Barefield Road as additive alternate work. However, the bids received for the construction of the Auldine Drive & Burr Oak Drive (Alley to Outfall) project were over the project's budget. To proceed with the construction of the project within the approved budget, portions of the work associated with the additive alternate (1) roadway, landscaping, and right-of-way prep included in the original scope of work, and bid documents are being value-engineered through this proposed City-requested deductive change order. The proposed deductive change will decrease the contract amount by \$275,804.00 to a revised total contract amount of \$2,800,840.60.

Clearfield Construction, LLC submitted the lowest responsive bid with additive alternate (1). After the reduction of work associated with the additive alternate (1) roadway, landscaping and right-of-way prep, Clearfield Construction, LLC remained the lowest bidder. The revised contract award to Clearfield Construction, LLC will be \$2,800,840.60.

## **ALTERNATIVES:**

- A. As an alternative, City Council could choose not to award this contract and require staff to re-advertise the project; however, the additional time required for another solicitation process would adversely affect the timely completion of the project.
- B. As an alternative, City Council could require staff to not reduce the scope of work associated with the

additive alternate. However, disapproval of the proposed deductive change order would result in the project exceeding its budget and require staff to rebid the project further delaying the completion of the project. The most cost-effective option is to approve the proposed deductive change order.

#### **FISCAL IMPACT:**

- A. This is a one-time capital improvement expenditure in the amount of \$3,076,644.60 payable to Clearfield Construction, LLC. Of this amount, \$372,650.10 will be reimbursed by SAWS and \$227,770.00 will be reimbursed by CPS Energy. Funds are available from the 2017 -2022 General Obligation Bond Program and the Storm Water Operating Fund and are included in the FY 2021 - FY 2026 Capital Improvement Program.
- B. Upon City Council's approval, the proposed deductive change will decrease the \$3,076,644.60 contract amount by \$275,804.00 for a revised total contract amount of \$2,800,840.60. This will be a one-time capital improvement expenditure in the amount of \$2,800,840.60 payable to Clearfield Construction, LLC. Of this amount, \$372,650.10 will be reimbursed by SAWS and \$227,770.00 will be reimbursed by CPS Energy. Funds are available from the 2017 -2022 General Obligation Bond Program and the Storm Water Operating Fund and are included in the FY 2021 - FY 2026 Capital Improvement Program.

#### **RECOMMENDATION:**

- A. Staff recommends approval of this ordinance accepting the lowest responsive bid and awarding a construction contract including an additive alternate to Clearfield Construction, LLC in the amount of \$3,076,644.60 of which \$372,650.10 will be reimbursed by San Antonio Water System and \$227,770.00 will be reimbursed by CPS Energy for the Auldine Drive & Burr Oak Drive (Alley to Outfall) project.
- B. Staff recommends approval of the proposed City requested deductive change order in the decreased amount of \$275,804.00 for a revised total contract amount of \$2,800,840.60 with Clearfield Construction, LLC for the Auldine Drive & Burr Oak Drive (Alley to Outfall) project.