

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL,
SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.**

ORDINANCE

**APPROVING A MEDIATED SETTLEMENT AGREEMENT IN THE
INCREASED AMOUNT OF \$650,000.00 FOR A TOTAL
CONSTRUCTION CONTRACT AMOUNT OF \$24,599,943.42 FOR
ADDITIONAL CONSTRUCTION SERVICES WITH J3 COMPANY
LLC. FUNDING IN THE AMOUNT OF \$650,000.00 WILL BE
REIMBURSED BY PORT AUTHORITY OF SAN ANTONIO AND
APPROPRIATED INTO THE PORT SAN ANTONIO PROJECT, A
2017 BOND FUNDED PROJECT, LOCATED IN COUNCIL
DISTRICT 4**

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WHEREAS, on May 6, 2017, voters approved the 2017 Bond Program, which authorized \$24,000,000 for the Port San Antonio Project located in Council District 4, which included drainage channel infrastructure to support underground storm water facilities, utility relocation, demolition of five (5) structures conflicting with proposed improvements and residual roadway work, and was completed in May 2022; and

WHEREAS, on January 17, 2019, City Council approved a construction contract with J3 Company, LLC, in the amount of \$20,763,251.51 for the construction of a drainage channel within the Port Authority right-of-way, of which \$3,275,964.00 would be reimbursed by the Port Authority of San Antonio, and additional contract amendments for various construction amendments have also been approved totaling \$3,186,691.91; and

WHEREAS, on June 17, 2021, City Council approved the acceptance of additional funds in an amount not to exceed \$1,000,000.00 from the Port Authority of San Antonio for completion of construction of the Port San Antonio project through Ordinance 2021-06-17-0464; and

WHEREAS, as part of its 1-year warranty, J3 Company, LLC was required to perform repair work on the project, which included trench restoration on Berman Road, channel riprap repair and pavement restoration on Billy Mitchell Blvd and Perrin Road; and

WHEREAS, J3 Company, LLC disputed that these items of work were warranty work, but instead were additional items of work that required compensation, and as a result of a mediation process, Port San Antonio, the City of San Antonio, and J3 Company came to a Mediated Settlement Agreement, which will compensate the J3 Company, LLC \$650,000 for the costs associated with these items of work; and

WHEREAS, this proposed amendment will increase the contract capacity by \$650,000.00 to a revised contract amount of \$24,599,943.42, illustrated by the following table:

| Item | Amount |
|----------------------------------|-----------------|
| Original Contract Value | \$20,763,251.51 |
| Previously Authorized Amendments | \$3,186,691.91 |
| Proposed Contract Amendment | \$650,000.00 |
| Revised Contract Value | \$24,599,943.42 |

WHEREAS, this ordinance approves the execution of a Mediated Settlement Agreement between Port San Antonio, the City of San Antonio, and J3 Company, LLC in an amount not to exceed \$650,000 for a total construction contract amount of \$24,599,943.42 for additional construction services; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or designee, or the Director of the Public Works Department or designee, is authorized to execute a Mediated Settlement Agreement between Port San Antonio, the City of San Antonio, and J3 Company, LLC in an amount not to exceed \$650,000 for a total construction contract amount of \$24,599,943.42 for additional construction services.

SECTION 2. Funds for this contract amendment in the increased amount of \$650,000.00 is available in Fund 45099000, Project 23-01633, WBS Element 23-01633-05-02-03 and GL Account 5201245. Funding is provided by General Obligation bond funds and is included the FY 2024 - FY 2029 CIP Budget. \$650,000.00 will be reimbursed by Port Authority of San Antonio and these funds are authorized to be appropriated into Project 23-01633.

SECTION 3. Additional payment from this contract amendment not to exceed \$650,000.00 is authorized to be encumbered with a purchase order and made payable to J3 Company LLC for additional construction services.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Fund Numbers, Project Definitions, WBS Elements, Internal Orders, Fund Centers, Cost Centers, Functional Areas, Funds Reservation Document Numbers, and GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 5. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 3rd day of October, 2024.

M A Y O R
Ron Nirenberg

DAH
10/3/2024
Item No.

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

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