



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 11

**Agenda Date:** June 6, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Public Works Department

**DEPARTMENT HEAD:** Razi Hosseini

**COUNCIL DISTRICTS IMPACTED:** District 10

**SUBJECT:**

Tender, Release, and Substitution Agreement: Perrin Homestead Historic Center

**SUMMARY:**

An ordinance approving the following items related to the Perrin Homestead Historic Center Project, a General Obligation Bond, Certificates of Obligation and Tax Notes funded project, located in Council District 10: (a) the execution of a Tender, Release and Substitution Agreement with US Casualty and Surety Insurance Company (“US Casualty”) to accept funds in an amount not to exceed \$831,235.00 from US Casualty and to accept US Casualty’ tendered contractor, J.C. Stoddard Construction (b) the award of the construction contract to J.C. Stoddard Construction in the amount of \$1,689,017.00 for the completion of the Perrin Homestead Historic Center Project; (c) the execution of an amendment in the increased amount of \$77,745.00 for a total Professional Design Services Agreement amount of \$314,049.53 with Rehler Vaughn and Koone (“R.V.K.”) to perform construction administration services; (d) and authorizing the allocation of the \$831,235.00 accepted from US Casualty, and reallocation of \$262,113.46 in 2017 General Obligation Bond funds and \$337,886.54 in General Funds, all totaling an additional \$1,431,235.00, to the Perrin Homestead Historic Center project included in the FY 2024 – FY 2029 Capital Improvement Program.

## **BACKGROUND INFORMATION:**

### ***Project Background***

The Texas Historical Commission designated the Perrin Homestead in the City of San Antonio as a Recorded Texas Historic Landmark in 1968. On May 6, 2017, San Antonio voters approved the City of San Antonio's 2017-2022 Bond Program, of which \$1,000,000.00 was approved for the rehabilitation and adaptive reuse of the historic Perrin Homestead and property owned by the City of San Antonio.

This project continues the City of San Antonio's commitment to preserving and improving city-owned facilities for the community's continued use. Construction is anticipated to resume in Spring 2024 and complete in Summer 2025.

### ***Tender, Release, and Substitution Agreement & Contract Award***

On October 14, 2021, the City Council approved a construction contract with Longhorn Tejas Property Builders, LLC, for \$831,235.00 for the Perrin Homestead Historic Center project through Ordinance 2021-10-14-0778. On April 7, 2023, the City of San Antonio terminated the contract with Longhorn Tejas Property Builders, LLC.

As a result of the termination and as part of the required performance bond, US Casualty and Surety Insurance Company (“US Casualty”) will pay the maximum amount allowable under the bond for performance and completion of the construction contract and will obtain and tender a new contractor to complete the remaining work. The approval of the Tender, Release, and Substitution Agreement allows for the maximum allowable reimbursement of funds to cover remaining project cost, acceptance of US Casualty’s tendered contractor, and awarding of the construction contract to J.C. Stoddard to complete the construction of the project.

### ***Agreement Amendment***

On October 5, 2017, the City Council approved the design services agreement with Rehler Vaughn and Koone (“R.V.K.”) for the Perrin Homestead Historic Center Project in the amount of \$70,731.00 as part of the 2017 Bond Program Mass Selection through Ordinance 2017-10-05-0742.

Contract amendments to modify and enhance this project have increased the agreement by \$165,573.53. This proposed amendment will increase the agreement capacity by \$77,745.00 for a revised agreement value of \$314,049.53.

The following table illustrates the previously authorized amendment since the execution of this agreement and the proposed amendment:

Item	Amount
Original Contract Value	\$ 70,731.00
Previous Amendments	\$ 165,573.53
Proposed Amendment	\$ 77,745.00
Revised Contract Value	\$ 314,049.53

This amendment will compensate the consultant for the work and costs associated with construction administration services related to the Perrin Homestead Historic Center project.

**ISSUE:**

This ordinance approves the execution of a Tender, Release and Substitution Agreement with US Casualty and Surety Insurance Company (“US Casualty”) to accept funds in an amount not to exceed \$831,235.00 from US Casualty; accepts US Casualty’ tendered contractor, J.C. Stoddard Construction and awards the construction contract to J.C. Stoddard Construction in the amount of \$1,689,017.00 for the completion of the Perrin Homestead Historic Center Project, executes amendment in the increased amount of \$77,745.00 for a total Professional Design Services Agreement amount of \$314,049.53 with Rehler Vaughn and Koone (“R.V.K.”) to perform construction administration services, and authorizes the allocation of the \$831,235.00 accepted from US Casualty, and reallocation of \$262,113.46 in 2017 General Obligation Bond funds and \$337,886.54 in General Funds, all totaling an additional \$1,431,235.00, to the Perrin Homestead Historic Center project included in the FY 2024 – FY 2029 Capital Improvement Program.

As a result of terminating the construction contract with the original contractor and as part of the performance bond, US Casualty will pay the maximum amount allowable under the bond for performance and completion of the construction contract and will obtain and tender a new contractor to complete the remaining work. . The approval of the Tender, Release, and Substitution Agreement allows for the reimbursement of the funds to cover project completion costs, acceptance of US Casualty’s tendered contractor, and awarding the construction contract to J.C. Stoddard to complete the construction of the project.

**ALTERNATIVES:**

Alternatively, the City Council could choose not to approve the Tender, Release, and Substitution Agreement, design amendment, or funding reallocation; however, the City will not be reimbursed nor have sufficient funding to complete the project, resulting in further delays in the completion.

**FISCAL IMPACT:**

This ordinance approves the following items related to the Perrin Homestead Historic Center Project, a General Obligation Bond, Certificates of Obligation and Tax Notes funded project, located in Council District 10: (a) the execution of a Tender, Release and Substitution Agreement with US Casualty and Surety Insurance Company (“US Casualty”) to accept funds in an amount not to exceed \$831,235.00 from US Casualty and to accept US Casualty’ tendered contractor, J.C. Stoddard Construction (b) the award of the construction contract to J.C. Stoddard Construction in the amount of \$1,689,017.00 for the completion of the Perrin Homestead Historic Center Project; (c) the execution of an amendment in the increased amount of \$77,745.00 for a total Professional Design Services Agreement amount of \$314,049.53 with Rehler Vaughn and Koone (“R.V.K.”) to perform construction administration services; (d) and authorizing the allocation of the \$831,235.00 accepted from US Casualty, and reallocation of \$262,113.46 in 2017 General

Obligation Bond funds and \$337,886.54 in General Funds, all totaling an additional \$1,431,235.00, to the Perrin Homestead Historic Center project included in the FY 2024 – FY 2029 Capital Improvement Program.

**RECOMMENDATION:**

Staff recommends approval of this ordinance.