



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 13

**Agenda Date:** June 12, 2025

**In Control:** City Council A Session

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**DEPARTMENT:** Public Works Department

**DEPARTMENT HEAD:** Razi Hosseini

**COUNCIL DISTRICTS IMPACTED:** District 1

**SUBJECT:**

Contract Amendment: Zona Cultural Streets (Commerce Street, San Saba Street and Santa Rosa Street)

**SUMMARY:**

Ordinance approving a City construction contract amendment in the increased amount of \$2,707,000 for related construction changes, for a total construction contract of \$37,742,879.06 with Sundt Construction, Inc. as part of the Zona Cultural Streets - Commerce Street (Frio Street to Santa Rosa Street), San Saba Street (Nueva Street to Martin Street), Santa Rosa Street (Cesar E. Chavez Boulevard to Martin Street) project located in Council District 1; and authorizing the reallocation of funds in the amount of \$4,000,000 to the Zona Cultural Streets projects. Funding is from Unissued Certificates of Obligation included in the FY 2025 Capital Budget.

**BACKGROUND INFORMATION:**

***Project Background***

On May 6, 2017, voters approved the 2017 Bond Program which authorized \$14,000,000 for Commerce Street (Frio Street to Santa Rosa Street), \$6,000,000 for San Saba Street (Nueva Street to Martin Street), and \$12,000,000 for Santa Rosa Street (Cesar E. Chavez Boulevard to Martin Street) projects located in Council District 1. These projects are within close proximity of each

other within the Zona Cultural District and will provide for the reconstruction of each street including pedestrian and landscape amenities as appropriate and within available funding. The project will also include joint-bid utility work in coordination with the San Antonio Water System (SAWS) and CPS Energy. The Zona Cultural Streets - Commerce Street (Frio Street to Santa Rosa Street), San Saba Street (Nueva Street to Martin Street), Santa Rosa Street (Cesar E. Chavez Boulevard to Martin Street) project is a continuation of the 2012 Bond Commerce Corridor and Cesar Chavez Corridor funded projects that provided for pedestrian connectivity and aesthetic improvements. Construction began in January 2022 and is estimated to be completed in Fall 2025.

***Previous Council Actions***

On December 16, 2021, City Council approved the construction contract with Sundt Construction, Inc. in the amount of \$30,160,684.89 of which \$5,139,444.75 will be reimbursed by San Antonio Water System (SAWS) and \$1,241,105.85 will be reimbursed by CPS Energy for the Zona Cultural Streets - Commerce Street (Frio Street to Santa Rosa Street), San Saba Street (Nueva Street to Martin Street), Santa Rosa Street (Cesar E. Chavez Boulevard to Martin Street) project.

On January 11, 2024, an amendment was approved by the City Council in the increased amount of \$509,037.27, reimbursed by CPS Energy. On March 20, 2025, an amendment was approved by the City Council in the increased amount of \$800,000.00. Additional various construction contract amendments to modify and enhance have also been approved in the amount of \$3,566,156.90 for a total of \$4,875,194.17 in previously authorized amendments. This proposed amendment will increase the contract capacity by \$2,707,000.00 to a revised contract amount of \$37,742,879.06.

The following table illustrates the previously authorized amendments since the execution of this contract:

<b>Item</b>	<b>Amount</b>
Original Contract Value	\$30,160,684.89
Previous Contract Amendments	\$4,875,194.17
Proposed Contract Amendments	\$2,707,000.00
Revised Contract Value	\$37,742,879.06

The City related contract amendment will compensate the contractor for work and costs, in the amount of \$2,707,000, for field related changes associated with project redesigns due to insufficient subsurface utility engineering (SUE) work which effected the overall project schedule and cost with additional unforeseen conditions as part of the Zona Cultural Streets - Commerce Street (Frio Street to Santa Rosa Street), San Saba Street (Nueva Street to Martin Street), Santa Rosa Street (Cesar E. Chavez Boulevard to Martin Street) project. A redesign of a storm drain and SAWS sanitary sewer was required along San Saba due to insufficient subsurface utility engineering (SUE) work which effected the overall project schedule and costs. The City will work with design consultants, contractors and utility partners at the end of the project to get reimbursed for additional costs incurred due to unforeseen circumstances and changes to the plan.

Due to lack of accurate underground utility locations on this project, the City developed a Memorandum of Understanding with SAWS that City Council approved on January 30, 2025 for

future Bond projects. The MOU clearly defines each organization's roles and responsibilities during the design and construction phases of joint projects. Through this MOU, SAWS will be responsible for the verification and cost of their underground utilities to accurately identify locations, size, and condition.

**ISSUE:**

This ordinance approves a City construction amendment in the increased amount not to exceed \$2,707,000 for a total construction contract of \$37,742,879.06 with Sundt Construction, Inc., for field related changes associated with project redesigns and unforeseen conditions as part of the Zona Cultural Streets - Commerce Street (Frio Street to Santa Rosa Street), San Saba Street (Nueva Street to Martin Street), Santa Rosa Street (Cesar E. Chavez Boulevard to Martin Street) project located in Council District 1; and authorizing the reallocation of funds in the amount of \$4,000.000 to the Zona Cultural Streets projects.

The project has encountered numerous underground unforeseen utility conflicts that have resulted in both re-design of proposed improvements as well as delays to the schedule. Those same unforeseen conflicts have resulted in additional design efforts that require compensation for the consultant engineers as well as compensation to the contractor for additional/new materials and for the delays that have adversely affected the project's critical path. As the schedule has been extended, additional administrative costs for City personnel as well as augmented staff have increased from the anticipated construction schedule expectations. Finally, Archeological constraints have changed since the project was awarded and will require additional construction efforts by the contractor.

**ALTERNATIVES:**

None.

**FISCAL IMPACT:**

An ordinance approving a City construction amendment in the increased amount not to exceed \$2,707,000 for a total construction contract of \$37,742,879.06 with Sundt Construction, Inc., for field related changes associated with project redesigns and unforeseen conditions as part of the Zona Cultural Streets - Commerce Street (Frio Street to Santa Rosa Street), San Saba Street (Nueva Street to Martin Street), Santa Rosa Street (Cesar E. Chavez Boulevard to Martin Street) project located in Council District 1; and authorizing the reallocation of funds in the amount of \$4,000,000 from previous General Obligation Bond Program projects to the Zona Cultural Streets projects. Funding is from Unissued Certificates of Obligation included in the FY 2025 Capital Budget.

**RECOMMENDATION:**

Staff recommends approval.