



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 12

Agenda Date: June 12, 2025

In Control: City Council A Session

DEPARTMENT: Public Works Department

DEPARTMENT HEAD: Razi Hosseini

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Contract Amendment (Construction): South Alamo Street (Market Street to East Cesar E. Chavez Boulevard)

SUMMARY:

Ordinance approving a City construction contract amendment in the increased amount of \$7,623,805.13 for related construction changes, for a total construction contract of \$50,711,622.94 with Sundt Construction, Inc. as part of the South Alamo Street (Market Street to East Cesar E. Chavez Boulevard) project, located in Council District 1; and authorizing the reallocation of funds in the amount of \$10,066,805.13 to the South Alamo Street (Market Street to East Cesar Chavez) project. 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 \$9,000,000.00 for the South Alamo Street (Market Street to East Cesar E. Chavez Boulevard) project in Council District 1. The project is located in downtown San Antonio, between Market Street and Cesar E. Chavez Boulevard. Street improvements will include roadway reconstruction, drainage, traffic

signals, pedestrian lighting, and landscaping. The project will also include utility upgrades to San Antonio Water System (SAWS) water, sewer, and chilled water mains, CPS gas and roadway lighting including main extensions and services for adjacent Public-Private Partnership at Hemisfair project consisting of water, fire line, wastewater, natural gas, electric and telecommunications. Construction began in December 2022 and is estimated to be completed in Spring 2026.

Previous Council Actions

On November 3, 2022, City Council approved the construction contract with Sundt Construction, Inc. in the amount of \$36,628,793.61, of which \$14,795,445.61 was funded from previously authorized 2017 Bond Funds; \$750,000 from Tree Mitigation Fund; \$14,369,555.00 reimbursed by San Antonio Water System (SAWS); \$1,488,793.00 reimbursed by CPS Energy; and \$5,225,000 from Hemisfair Tax Increment Reinvestment Zone (TIRZ) for the South Alamo Street (Market Street to East Cesar Chavez) project.

On February 9, 2023, an amendment was approved by the City Council in the increased amount of \$1,500,556.00, reimbursed by AT&T. On January 11, 2024, an amendment was approved by the City Council in the increased amount of \$462,045.89, reimbursed by SAWS. On January 30, 2025, an amendment was approved by the City Council in the increase amount of \$3,116,937.00, of which \$116,937.00 was reimbursed by CPS. Additional various construction contract amendments to modify and enhance have also been approved in the amount of \$1,379,485.31 for a total of \$6,459,024.20 in previously authorized amendments. This proposed amendment will increase the contract capacity by \$7,623,805.13 to a revised contract amount of \$50,711,622.94. The following table illustrates the previously authorized amendments since the execution of this contract:

Item	Amount
Original Contract Value	\$36,628,793.61
Previous Contract Amendments	\$6,459,024.20
Proposed Contract Amendments	\$7,623,805.13
Revised Contract Value	\$50,711,622.94

The City related contract amendment will compensate the contractor for work and costs, in the amount of \$7,623,805.13, associated with upcoming field related changes and project redesigns due to insufficient subsurface utility engineering (SUE) work which effected the overall project schedule and cost with additional unforeseen conditions and significant environmental and archeological constraints as part of the South Alamo Street (Market Street to East Cesar E. Chavez Boulevard) project. 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 \$7,623,805.13 for a total construction contract of \$50,711,622.94 with Sundt Construction, Inc., for upcoming related field construction changes and project redesigns due to unforeseen conditions, utility conflicts, and significant environmental and archeological constraints as part of the South Alamo Street (Market Street to East Cesar E. Chavez Boulevard) project, located in Council District 1; and authorizing the reallocation of funds in the amount of \$10,066,805.13 to the South Alamo Street (Market Street to East Cesar Chavez) project. Funding is from Unissued Certificates of Obligation included in the FY 2025 Capital Budget.

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 approves a City construction amendment in the increased amount not to exceed \$7,623,805.13 for a total construction contract of \$50,711,622.94 with Sundt Construction, Inc., for upcoming related field construction changes as part of the South Alamo Street (Market Street to East Cesar E. Chavez Boulevard) project, located in Council District 1; and authorizing the reallocation of funds in the amount of \$10,066,805.13 from previous General Obligation Bond Program projects to the South Alamo Street (Market Street to East Cesar Chavez) project. Funding is from Unissued Certificates of Obligation included in the FY 2025 Capital Budget.

RECOMMENDATION:

Staff recommends approval.