



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 13

Agenda Date: October 3, 2024

In Control: City Council A Session

DEPARTMENT: Public Works Department

DEPARTMENT HEAD: Razi Hosseini

COUNCIL DISTRICTS IMPACTED: District 4

SUBJECT:

Mediated Settlement Agreement: Port San Antonio (2017 Bond Project)

SUMMARY:

An ordinance approving the execution of a Mediated Settlement Agreement between Port 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. 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.

BACKGROUND INFORMATION:

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. This project 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. Port SA Antonio project was completed and final acceptance was in May 2022.

Settlement Agreement

As part of 1-year warranty J3 Company, LLC was required to perform repair work on the

project. This work included trench restoration on Berman Road, channel riprap repair and pavement restoration on Billy Mitchell Blvd and Perrin Road. J3 Company, LLC disputed that these items of work were warranty work, but instead were additional items of work that required compensation. As a result of a mediation process, Port 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 these items of work .

Previous Council Action & Contract Amendments

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 through Ordinance 2019-01-17-0025. Additional contract amendments for various construction amendments have also been approved totaling \$3,186,691.91. On June 17, 2021, City Council approved the acceptance of 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.

This proposed amendment will increase the contract capacity by \$650,000.00 to a revised contract amount of \$24,599,943.42. The following table illustrates the previously authorized amendments since the execution of this agreement:

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

This contract amendment will compensate J3 Company, LLC for work and costs associated with the Port San Antonio, 2017 Bond project.

ISSUE:

This ordinance approves the execution of a Mediated Settlement Agreement between Port 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.

During the construction of the Port San Antonio project, J3 Company, LLC was requested to perform warranty repairs, such as repairs to concrete channels, trench repairs and sinkhole repairs. To prevent project delays, the city worked with J3 Company, LLC to make these repairs as they occurred. The Mediated Settlement Agreement will compensate the J3 Company, LLC for the costs associated with these adjustments.

ALTERNATIVES:

City Council could choose not to authorize the Mediated Settlement Agreement between the Port San Antonio and J3 Company, LLC; however, this could result in a claim between the City and J3 Company, LLC. The most cost-effective option is to approve the contract amendment.

FISCAL IMPACT:

This ordinance authorizes the execution of a Mediated Settlement Agreement between Port San Antonio and J3 Company, LLC accepting reimbursement funds in an amount not to exceed \$650,000 from the Port San Antonio for additional construction services incurred on the Port San Antonio project, a 2017 Bond funded drainage project located in Council District 4. The \$650,000.00 will be reimbursed by Port Authority of San Antonio and appropriated into the Port San Antonio project as part of \$1,000,000.00 previously authorized by City Council through Ordinance 2021-06-17-0464 for completion of construction of the Port San Antonio project.

RECOMMENDATION:

Staff recommends the execution of a Mediated Settlement Agreement between the Port of San Antonio and J3 Company, LLC accepting reimbursement funds in an amount not to exceed \$650,000.00 from Port Authority of San Antonio for additional construction services and the appropriating the funds into the Port San Antonio project, a 2017 Bond funded drainage project.