



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 15

Agenda Date: June 22, 2023

In Control: City Council A Session

DEPARTMENT: Public Works Department

DEPARTMENT HEAD: Razi Hosseini

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Deductive Construction Contract Amendment(s): Commerce Street (St. Mary's Street to Santa Rosa Street)

SUMMARY:

An ordinance authorizing two deductive contract amendments totaling in an amount not to exceed \$1,034,409.52 to reduce the construction contract to a revised amount of \$10,989,210.65 with Jerdon Enterprise, L.P. for changes in quantities to the traffic, ITSD, landscape, signage, street lighting, and historic preservation plans and project scope reduction of the Commerce Street (St. Mary's Street to Santa Rosa Street) project located in Council District 1, a 2017 General Obligation Bond and Tree Canopy Preservation and Mitigation funded project included in FY 2023 – FY 2028 Capital Improvement Program.

BACKGROUND INFORMATION:

On May 6, 2017, voters approved the 2017 Bond Program, which authorized \$6,000,000.00 for the Commerce Street (St. Mary's Street to Santa Rosa Street) project located in Council District 1. This project provided for the reconstruction of Commerce Street from St. Mary's Street to Santa Rosa Street, including pedestrian and landscape amenities as appropriate and within available funding. The project included joint-bid utility work in coordination with Centro San Antonio, El

Mercado Zona Cultural District, and the San Antonio River Authority. The Commerce Street (St. Mary's Street to Santa Rosa Street) project is a continuation of the 2012 Bond Downtown Streets Reconstruction funded project that provided for various street reconstruction and sidewalk improvements of various downtown streets.

Construction of Phase 1 of the project was substantially completed in January 2023 from Santa Rosa Street to the west of the San Antonio River. The remaining scope of work and quantities is being removed from the original contract due to the contractor's inability to continue to work on St. Mary's Street because of a private development project within the project limits. Public Works will issue a task order under a current on-call contract to complete the remaining scope of work (Phase 2), including sidewalk repairs along Main Street and Soledad Street that intersect the project limits. Construction of Phase 2 of the project from San Antonio River to St. Mary's is anticipated to begin in Summer 2023 and is estimated to complete in Fall 2023.

Previous Council Action & Deductive Contract Amendments

On June 18, 2020, City Council approved the construction contract with Jerdon Enterprise, L.P. in an amount not to exceed \$11,084,957.60, of which \$132,570.00 would be reimbursed by San Antonio Water System (SAWS) and \$1,103,790.00 reimbursed by CPS Energy for the Commerce Street (St. Mary's Street to Santa Rosa Street) through Ordinance 2020-06-18-0410. Contract amendments to modify and enhance the project have increased this contract by \$938,662.57 to a total contract amount of \$12,023,620.17. These proposed amendments will decrease the construction contract by a total amount not to exceed \$1,034,409.52 to a revised contract amount of \$10,989,210.65.

The following table illustrates the previously authorized amendments which have occurred since the construction of this project began:

Item	Amount
Original Contract Value	\$11,084,957.60
Previous Contract Amendments	\$ 938,662.57
Proposed Contract Amendments	\$ (1,034,409.52)
Revised Contract Value	\$10,989,210.65

These deductive contract amendments will reduce the construction contract with Jerdon Enterprise, L.P., in the not to exceed amount totaling \$1,034,409.52 to a revised total contract amount of \$10,989,210.65 for changes in quantities and reduction of work scope. Reducing this amount will allow this funding to be used towards the construction of Phase 2 of the project, anticipated to begin in Summer 2023.

ISSUE:

This ordinance authorizes two deductive contract amendments totaling in an amount not to exceed \$1,034,409.52 to reduce the construction contract to a revised amount of \$10,989,210.65 with Jerdon Enterprise, L.P. for changes in quantities to the traffic, ITSD, landscape, signage, street lighting, and historic preservation plans and project scope reduction of the Commerce Street (St.

Mary's Street to Santa Rosa Street) project located in Council District 1, a 2017 General Obligation Bond and Tree Canopy Preservation and Mitigation funded project included in FY 2023 – FY 2028 Capital Improvement Program.

Deductive Contract Amendment (1)

The request for competitive sealed proposals was issued on September 24, 2018. Bids received ranged from \$13.1 million to \$16.6 million, which exceeded the estimated city budget for Commerce Street (St. Mary's Street to Santa Rosa Street) project. The evaluation committee recommended Jerdon Enterprise, L.P. and the project team conducted a value engineering analysis, negotiated, and City Council awarded a contract in an amount not to exceed \$11,084,957.60, of which \$9,848,597.60 funded by the City, \$132,570.00 reimbursed by San Antonio Water System and \$1,103,790.00 reimbursed by CPS Energy. After the final bid plans and before the notice to proceed to construction, the project team evaluated additional changes in quantities to the traffic, ITSD, landscape, signage, street lighting, and historic preservation plans resulting in an overall reduction to the construction contract in the amount of \$164,409.52. Construction of Phase 1 of the project was substantially completed in January 2023 from Santa Rosa Street to the west of the San Antonio River. This ordinance will ratify the deductive contract amendment in the amount of \$164,409.52 for changes in quantities.

Deductive Contract Amendment (2)

The remaining scope of work and associated quantities valued in an amount not to exceed \$870,000.00 is being removed from the original contract due to the contractor's inability to continue to work on St. Mary's Street because of a private development project within the project limits. Public Works will issue a task order under a current on-call contract to complete the remaining scope of work (Phase 2), including sidewalk repairs along Main Street and Soledad Street that intersects the project limits. Construction of Phase 2 of the project from San Antonio River to St. Mary's is anticipated to begin in Summer 2023 and is estimated to complete in Fall 2023. This ordinance will authorize a deductive contract amendment in an amount not to exceed \$870,000.00 for project scope reduction of the Commerce Street (St. Mary's Street to Santa Rosa Street) project.

These deductive contract amendments will reduce the construction contract with Jerdon Enterprise, L.P., by the total amount not to exceed \$1,034,409.52, revising the total contract amount to \$10,989,210.65 for changes in quantities and descoping of the project. Reducing this amount will allow this funding to be used towards the construction of Phase 2 of the project, anticipated to begin in Summer 2023.

ALTERNATIVES:

As an alternative, City Council could choose not to approve these deductive contract amendments, resulting in challenges with the final financial close out of Phase 1 and completion of Phase 2 of this project.

FISCAL IMPACT:

This ordinance will reduce the construction contract with Jerdon Enterprise, L.P. in the total deductive amount not to exceed \$1,034,409.52 for a revised total contract amount of \$10,989,210.65 for changes in quantities to the traffic, ITSD, landscape, signage, street lighting, and historic preservation plans and project scope reduction of the Commerce Street (St. Mary's Street to Santa Rosa Street) project, a 2017 General Obligation Bond and Tree Canopy Preservation and Mitigation funded project included in FY 2023 – FY 2028 Capital Improvement Program.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing two deductive contract amendments totaling in the amount not to exceed \$1,034,409.52 for a revised total contract amount of \$10,989,210.65 for changes in quantities to the traffic, ITSD, landscape, signage, street lighting, and historic preservation plans and project scope reduction of the Commerce Street (St. Mary's Street to Santa Rosa Street) project.