



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 17

**Agenda Date:** May 2, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Public Works Department

**DEPARTMENT HEAD:** Razi Hosseini

**COUNCIL DISTRICTS IMPACTED:** District 2

**SUBJECT:**

Contract Amendment: South Foster Road Phase II

**SUMMARY:**

An ordinance approving a contract amendment in the increased amount of \$645,428.66 for a revised construction contract amount of \$8,091,522.44 with Texas Sterling Construction Co. for additional construction services related to utility improvements for the South Foster Road Phase II project located in Council District 2; and authorizing the acceptance of funds in the amount of \$645,428.66 from San Antonio Water System for these construction services.

**BACKGROUND INFORMATION:**

***Project Background***

On September 13, 2018, as part of the FY 2019 Fiscal Year Budget, a total of \$4,300,000.00 was approved for roadway and drainage improvements with Phase I of the South Foster Road (Rigsby/Highway 87 to 4,000' N) Project. On August 12, 2021, the City Council authorized \$7,263,798.55 for the South Foster Road Phase II (4000' N to Houston Street/FM 1346) project in Council District 2. The South Foster Road Phase II project included street improvements, roadway reconstruction, drainage, landscaping, utility upgrades to SAWS water and sewer, and CPS gas mains. Construction began in September 2021 and is estimated to be complete in Spring 2024.

During project construction, a utility conflict was identified with a SAWS Foster Elevated Storage Tank Overcoat & Maintenance project during completion of the water main tie-ins needed to complete the project. SAWS required the existing 24” water main to remain operational, which resulted in project delays.

***Previous Council Action & Contract Amendments***

On August 12, 2021, the City Council approved the construction contract with Texas Sterling Construction Co. in the amount of \$7,263,798.55 of which \$2,523,251.17 was funded from the South Foster Road Phase I (Rigsby to 4000’ N) project, \$1,451,820 reimbursed by San Antonio Water System (SAWS), and \$938,558.26 reimbursed by CPS Energy through Ordinance 2021-08-12-0557. Contract amendments to modify and enhance the project have increased this contract by \$182,295.23. This proposed amendment will increase the contract capacity by \$645,428.66 to a revised contract amount of \$8,091,522.44.

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

<b>Item</b>	<b>Amount</b>
Original Contract Value	\$ 7,263,798.55
Previous Amendments	\$ 182,295.23
Proposed Amendment	\$ 645,428.66
Revised Contract Value	\$ 8,091,522.44

This contract amendment will compensate the contractor, Texas Sterling Construction Co., for the work and costs associated with additional construction work and incurred project delays resulting from the unforeseen utility conflicts encountered during construction.

**ISSUE:**

This ordinance approves a contract amendment in the increased amount of \$645,428.66 for a revised construction contract amount of \$8,091,522.44 with Texas Sterling Construction Co. for additional construction services related to utility conflicts for the South Foster Road Phase II project located in Council District 2; and authorizing the acceptance of funds in the amount of \$645,428.66 from San Antonio Water System for utility conflicts encountered during construction.

During the construction of the South Foster Road Phase II project, unforeseen utility conflicts were identified with a SAWS Foster Elevated Storage Tank Overcoat & Maintenance project, which enabled Texas Sterling Construction, Co. to complete the water main tie-ins needed to complete the project. SAWS required the existing 24” water main to remain operational, which resulted in delays to the project.

This contract amendment will compensate the contractor, Texas Sterling Construction Co., for the work and costs associated with additional construction work and incurred project delays resulting from the unforeseen utility conflicts encountered during construction.

**ALTERNATIVES:**

Alternatively, the City Council could not approve this contract amendment and require staff to rebid this work. However, a rebid of the work could lead to further project delays and potentially an increased cost to the City. The most cost-effective option is to approve this contract amendment.

**FISCAL IMPACT:**

This is a one-time capital improvement expenditure of \$645,428.66, payable to Texas Sterling Construction Co., for additional utility construction services related to the South Foster Road Phase II project. This ordinance also authorized the acceptance of funds in the amount of \$645,428.66 from the San Antonio Water System for additional construction work and incurred project delays resulting from the unforeseen utility conflicts encountered during construction.

**RECOMMENDATION:**

Staff recommends approval of executing a contract amendment in the increased amount not to exceed \$645,428.66 for construction services related to the South Foster Road Phase II project and accepting funds in the amount of \$645,428.66 from the San Antonio Water System.