



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Cassey Ogden  
**DATE:** May 7, 2024

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute the CMAR Guaranteed Maximum Price Amendment No. 2 to the Construction Manager At Risk Contract with Sundt Construction, Inc., for the construction phase services of the second work package for Neighborhood 2 and 6 Improvements for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8055 – awarded to Sundt Construction, Inc., including the second guaranteed maximum price in the partial not-to-exceed amount of \$37,615,516.43 and a total contract price of \$51,505,116.43).

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

### **INFORMATION/BACKGROUND**

In November 2022, City Council approved a contract with Sundt Construction, Inc. to provide Construction Manager at Risk (CMAR) pre-construction phase services for Neighborhoods 2 & 6. As the CMAR, Sundt manages subcontractors, the project schedule, and the established Guaranteed Maximum Price (GMP) packages. During the preconstruction phase, Sundt provided a cost model, followed by competitively bidding the work off of the 90% design documents to arrive at the GMP proposal. Within the GMP deliverable, Sundt has also provided a construction management plan, quality control plan, and proposed sequencing schedule for the project. These items are a product of the collaboration by the City, CMAR, and design engineer.

This Neighborhood 2 & 6 GMP work package #2 (GMP #2) contains 49 roadway segments that will be reconstructed as part of the voter-approved 2019 Street Reconstruction Bond. Along with the full reconstruction of the identified street segments, the project also includes the replacement of aging utility infrastructure, enhanced sidewalk connectivity, and various street lighting upgrades. The Neighborhood 2 & 6 Improvement project is the second neighborhood project that will be delivered as a CMAR project and it is the first CMAR project for the City that includes multiple GMP packages. The Neighborhood 2 & 6 project has been divided into three packages. GMP #1 was approved by City Council on November 14, 2023, and GMP #3 is expected to come before Council for consideration in December 2024. All phases of Neighborhood 2 & 6 are on track to be completed by the end of 2026.

The total cost of \$37,615,516.43 for Neighborhood 2 & 6 construction GMP #2 consists of \$36,115,516.43 total GMP; and a \$1,500,000.00 owners contingency. The owner contingency is for the sole use of the City and will be subject to written authorization by the City's Project Manager.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On November 1, 2022, City Council approved a Professional Services Agreement with Kimley-Horn and Associates, Inc., to provide design services for the Neighborhood 2 & 6 Improvements (Ordinance 22-2192).

On November 1, 2022, City Council approved a construction manager at risk contract for pre-construction phase services with Sundt Construction, Inc. (Ordinance 22-2195).

On November 14, 2023, City Council approved a construction manager at risk contract for construction phase services with Sundt Construction, Inc. (Ordinance 23-2117).

On May 6, 2024, this item will be presented to the Public Utilities Board (PUB) for consideration.

### **RECOMMENDATION**

Award a CMAR Guaranteed Maximum Price No. 2 Amendment with Sundt Construction, Inc., for construction phase services for Neighborhood 2 & 6 Improvements for the Capital Projects Department, in a second Guaranteed Maximum Price not-to-exceed amount of \$37,615,516.43.

### **PRINCIPAL PLACE OF BUSINESS**

Sundt Construction, Inc.  
Irving, TX

### **ESTIMATED SCHEDULE OF PROJECT**

Construction for Neighborhood 2 & 6 GMP #2 will be started in May 2024 with a projected completion date of September 2026.

### **FISCAL INFORMATION**

This contract will be funded from 2019 Street Reconstruction Bond account 350530473 and 350538473, Water Utilities account 630498523, and Wastewater Collection account 640485545. Requisition #164708 has been entered into the Purchasing software system in the amount of \$25,523,774.10. The remainder of the funds will be added to the Purchase Order from future fiscal year allocations. The total amount of this contract is \$37,615,516.43.

### **EXHIBITS**

- Exhibit 1: Agenda Information Sheet
- Exhibit 2: Ordinance and Preconstruction Services Contract
- Exhibit 3: Ordinance and Construction Services Contract
- Exhibit 4: Presentation
- Exhibit 5: Ordinance and GMP No. 2 Amendment

Respectfully submitted:  
Lori Hewell, 940-349-7100  
Purchasing Manager

For information concerning this acquisition, contact: Scott Fettig, 940-349-8909 & Seth Garcia, 940-349-8938.

Legal point of contact: Marcella Lunn at 940-349-8333.