



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: May 19, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute Change Order No. 4 to the contract between the City of Denton and Oscar Renda Contracting, Inc., for the construction and movement of public water/wastewater utilities in support of TxDOT's I-35 widening from the split to US-380 for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (IFB 7968-004 – Change Order No. 4 in the not-to-exceed amount of \$2,722,204.25, for a total contract award aggregated to \$20,038,587.25). The Public Utilities Board will consider this item on Monday, May 18, 2026.

STRATEGIC ALIGNMENT

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

INFORMATION/BACKGROUND

The Texas Department of Transportation's (TxDOT) widening of Interstate Highway 35 (I-35) from the I-35E/I-35W Split to Milam Road started in Q4 2023. The I-35 Utility Relocation (Split to US-380) project moved public utilities in support of TxDOT with the removal and installation of 10,200 linear feet of water and wastewater utilities from the split to US-380. To align with TxDOT's I-35 widening, the project was scheduled for 180 days. Since the project is a forced relocation of City of Denton utilities, there will be reimbursements from TxDOT to support this effort up to 100%.

The I-35 Utility Relocation Project (Split to US-380) had a total estimated cost of \$18,064,385.85. This estimate included a \$17,204,177 total base proposal amount and a contingency of \$860,208.85. A five (5) percent contingency allowance, if any, is for the sole use of the City and will be subject to written authorization by the City's Project Manager.

Change Order Nos. 1 – 3 were approved utilizing available contingency to address design and scope adjustments for water and wastewater infrastructure. Change Orders No. 1 and 2 managed scope changes necessitated by unforeseen existing conditions; notably, material changes had to be made as a result. Change Order No. 3 was required to repair damages to a manhole inflicted by an unknown party during the course of construction.

Change Order No. 4 addresses substantial shifts in construction sequencing for various water and wastewater utility lines. Following the discovery of unforeseen field conditions across multiple parcels, the project team determined that the original schedule was no longer viable. Consequently, work for these

specific locations was re-phased to later stages of the project. This adjustment triggered a ripple effect on upstream infrastructure, necessitating redesigning the methodology for several upstream lines to maintain system integrity, implementation of a revised design that required a complete reversal of the planned flow direction, an updated contractor strategy to accommodate these engineering refinements, an additional 208 days of on-site presence that includes labor, equipment rentals, and coordination of multiple equipment and labor mobilizations across both sides of the I-35 corridor.

Oscar Renda has fulfilled all contractual obligations and submitted the comprehensive closeout package. Simultaneously, City staff is coordinating with TxDOT to ensure all administrative requirements are met. This due diligence is critical to securing reimbursement at 100% for the City of Denton and mitigating any potential audit risks associated with the change order.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 7, 2022, City Council approved RFQ 7968 for a prequalified list of firms for utility relocation and construction services for various Capital Investment Projects (Ordinance 22-1145).

On August 15, 2023, City Council approved a contract with Oscar Renda Contracting, Inc., in the not-to-exceed amount of \$18,064,385.85 (Ordinance 23-1490).

On August 9, 2024, Purchasing approved a Change Order 1 with Oscar Renda Contracting, Inc., in the not-to-exceed amount of \$43,740.

On October 15, 2024, Purchasing approved a Change Order 2 with Oscar Renda Contracting, Inc., in the not-to-exceed amount of \$16,716.

On July 16, 2025, Purchasing approved a Change Order 3 with Oscar Renda Contracting, Inc., in the not-to-exceed amount of \$51,750.

On May 18, 2026, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award Change Order No. 4 with Oscar Renda Contracting, Inc., for the construction and movement of public water/wastewater utilities in support of TxDOT's I-35 widening from the split to US-380 for the Capital Projects Department, in the not-to-exceed amount of \$2,722,204.25, for a total contract amount of \$20,038,587.25.

PRINCIPAL PLACE OF BUSINESS

Oscar Renda Contracting, Inc.
Grapevine, TX

SCHEDULE OF PROJECT

Construction started on October 16, 2023, with an estimated completion date of July 31, 2024. This change order changed the completion date to February 24, 2025. A Letter of Acceptance was issued to the contractor dated May 30, 2025. For the past twelve months following project completion, City staff have continued working with the contractor and the TxDOT Dallas District to review the change order, including all time impacts, which resulted in the added days and final change order price needed to fully close the project.

FISCAL INFORMATION

These services will be funded from Wastewater Collection account #640444541.1365.40100. Requisition #175051 has been entered into the Purchasing software system in the amount of \$2,722,204.25. The total amended amount of this contract is \$20,038,587.25.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Original Ordinance, Contract, and Change Orders 1-3

Exhibit 3: Ordinance and Change Order No. 4

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

For information concerning this acquisition, contact: Shawn Messick, 940-349-8390, or Seth Garcia, 940-349-8938.

Legal point of contact: Leah Bush at 940-349-8333.