



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Cassey Ogden
DATE: November 14, 2023

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Construction Manager at Risk contract with Sundt Construction, Inc., for construction phase services for Neighborhood 2 and 6 Improvements for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8055 – awarded to Sundt Construction, Inc., including the first Guaranteed Maximum Price in the partial not-to-exceed amount of \$13,889,600.00).

INFORMATION/BACKGROUND

To achieve the goal of completing the 2019 Street Reconstruction Bond Program within a six (6) year time frame, City staff evaluated the use of alternative delivery methods including Construction Manager at Risk (CMAR) to make project delivery more efficient. The City contracted with Freese and Nichols, Inc., to help develop and adopt new contract documents and receive coaching to successfully execute a CMAR project. This methodology works on the basis of collaboration between the owner (the City), design engineer, and construction manager from initiation of project design through construction and to deliver the project with a Guaranteed Maximum Price (GMP). Although the work by law is required to be bid, cost models are tracked through the design phase (open book) to establish a guaranteed maximum price for the project. The construction manager also provides and tracks a construction management plan and schedule throughout design development to help facilitate a seamless transition between design phase services and construction. By utilizing the CMAR project delivery method, it will be more feasible to prioritize enhanced community engagement, construction sequencing, and overall cost value.

Neighborhood 2 & 6 GMP Package #1 contains 15 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. Neighborhood 2 & 6 is the second neighborhood that will be delivered as a CMAR project for the City. Neighborhood 2 & 6 has been broken into three packages. GMP Package #2 is expected to come before Council for consideration in April 2024. GMP Package #3 is expected to come before Council for consideration in December 2024. All phases of the Neighborhood 2 & 6 Improvement project are on track to be completed by the end of 2026.

The purpose of this contract is for Sundt Construction, Inc. to serve as the CMAR and provide construction phase services for the Neighborhood 2 & 6 Improvements project. As the CMAR, Sundt will manage subcontractors, the project schedule, and the established GMP. During the preconstruction phase, Sundt provided a cost model followed by competitively bidding the work based on the 90% design documents to

arrive at the GMP No. 1 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.

The City used a one-step Construction Manager at Risk (CMAR) selection process to award Sundt Construction, Inc. a CMAR Agreement authorizing to provide pre-construction services for the fee of \$452,147.

The project total cost of \$13,889,600.00 for Neighborhood 2 & 6 construction consists of \$13,485,100.00 total GMP; and a \$404,500.00 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.

The 2019 Bond Program Extendable Commercial Paper Program (ECP) is being used for appropriation authority for this contract. The 2019 Bond Program ECP program was approved by City Council on April 6, 2020. The ECP program allows the City to better align bond issuances with the cash flow needs of the projects as part of the 2019 Bond Election.

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 design phase services with Sundt Construction, Inc. (Ordinance 22-2195).

On November 13, 2023, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award a Construction Manager at Risk contract with Sundt Construction, Inc., for construction phase services for Neighborhood 2 & 6 Improvements for the Capital Projects Department, in a not-to-exceed amount of \$13,889,600.

PRINCIPAL PLACE OF BUSINESS

Sundt Construction, Inc.
Irving, TX

ESTIMATED SCHEDULE OF PROJECT

Construction for Neighborhood 2 & 6 GMP #1 will be started in December 2023 with a projected completion date of April 2025.

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. A requisition will be entered into the Purchasing software system in the amount of \$13,485,100.00. The total amount of this contract is \$13,889,600.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Ordinance and Preconstruction Services Contract

Exhibit 3: Presentation

Exhibit 4: Ordinance and Contract

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

For information concerning this acquisition, contact: Seth Garcia, 940-349-8938.

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