



# City of Denton

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

---

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Christine Taylor  
**DATE:** March 4, 2025

### **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 1B Improvements for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8225 – awarded to Sundt Construction, Inc., including the first Guaranteed Maximum Price in the partial not-to-exceed amount of \$31,872,570.02). [The Public Utilities Board recommends approval \(4 - 0\).](#)

### **STRATEGIC ALIGNMENT**

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

### **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. This methodology works based on 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.

The City of Denton 2019 Street Reconstruction Bond Program provides funding for the design and reconstruction of aging street infrastructure throughout the City. Neighborhood 1B (NBHD-1B) is located in northcentral Denton north of N Elm St and south of Loop 288. This neighborhood project area consists of single-family residential homes, commercial businesses, and schools. This project will include the full-depth reconstruction of 45 street segments within the NBHD-1B project area. This includes 25,000 feet linear feet of roadway reconstruction with subgrade stabilization, 10,000 linear feet of water main replacement, 16,800 linear feet of wastewater main replacement, asphalt paving, concrete curb and gutter, and driveway replacements (limited to driveways that are within the existing right-of-way). The project will adhere to a holistic approach aimed at limiting future construction disruptions by replacing other aging public infrastructure within the limits of the project area.

The purpose of this contract is for Sundt Construction, Inc. to serve as the CMAR and provide construction phase services for the Neighborhood 1B 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 competitive bidding on 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 \$267,000.00.

The total cost of \$31,872,570.02 for Neighborhood 1B construction GMP #1 consists of \$30,972,570.02 total GMP; and a \$900,000.00 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 July 18, 2023, City Council approved a Professional Services Agreement with Kimley-Horn and Associates, Inc., to provide design services for the Neighborhood 1B Improvements, in the not-to-exceed amount of \$3,076,300 (Ordinance 23- 1329).

On July 18, 2023, City Council approved a construction manager at risk contract for pre-construction phase services with Sundt Construction, Inc., in the not-to-exceed amount of \$267,000 (Ordinance 23-1330).

On February 24, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

**RECOMMENDATION**

Award a Construction Manager at Risk contract with Sundt Construction, Inc., for construction phase services for Neighborhood 1B Improvements for the Capital Projects Department, in a not-to-exceed amount of \$31,872,570.02.

**PRINCIPAL PLACE OF BUSINESS**

Sundt Construction, Inc.  
Irving, TX

**ESTIMATED SCHEDULE OF PROJECT**

Construction for Neighborhood 1B GMP #1 will begin in March 2025 with a projected completion date of October 2026.

**FISCAL INFORMATION**

This contract will be funded from a combination of the accounts listed below.

2019 Street Reconstruction Bond account	350550402.1360.40100	\$15,539,857.91
Water Utilities account	630526523.1360.40100	4,911,434.34
Wastewater Collection account	640505545.1360.40100	9,921,637.47

2019 Bond Sidewalks	350551473.1360.40100	599,640.30
	Total:	\$30,972,570.02

Requisition #168950 has been entered into the Purchasing software system in the amount of \$16,500,000. The remainder of the funds will be added to the Purchase Order from future fiscal year allocations. The budgeted amount for this item is \$31,872,570.02.

**EXHIBITS**

- Exhibit 1: Agenda Information Sheet
- Exhibit 2: Ordinance and Preconstruction Services Contract
- Exhibit 3: Presentation
- Exhibit 4: Ordinance and GMP Amendment 1

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.