



MEMORANDUM

DATE: March 9, 2026
TO: Membership of the Public Utilities Board
FROM: Matthew Hamilton, Chief Financial Officer &
David Brown, Water Utilities Project Manager
SUBJECT: CMAR Construction for PCWRP

During the February 23rd Public Utility Board meeting a question was asked concerning contract language and tariffs. The construction phase services construction manager at risk agreement for the PCWRP Headworks and Expansion Project does include language to terminate the contract.

Section 9.1. Termination clause in Contract

Termination for Convenience

Upon receipt of written notice to CM@Risk, City may, at its discretion and without cause, elect to terminate this Agreement. In such event, City shall pay CM@Risk only the direct value of its completed Work and materials supplied as of the date of termination and the reasonable costs and expenses attributable to such termination. CM@Risk shall be entitled to profit and overhead on completed Work only but shall not be entitled to anticipated profit or anticipated overhead.

An increase in costs due to tariffs is outlined in Exhibit B – GMP Proposal, Section 5, Item 2.

Tarriff language in contract

The GMP is based on material, equipment, and labor costs available at the time of preparation. Potential changes in tariffs on materials and goods that may be imposed through January (or until such tariffs are enacted) could significantly impact costs and delivery timelines. Therefore, this estimate does not account for any additional expenses or delays that may result from these tariffs. Should new tariffs be implemented, the City of Denton and Sundt will mutually agree on impacts or changes to actual project costs or schedule.

Any mutually agreed upon changes will be covered by contingency and not allowances.

Prepared By:
Lori Hewell, Purchasing Manager

OUR CORE VALUES

Inclusion • Collaboration • Quality Service • Strategic Focus • Fiscal Responsibility

Submitted By:

Matthew Hamilton, Assistant Director of Financial Planning & Analysis

Department Contact

David Brown, Water Utilities Project Manager