



# City of Denton

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

---

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**DCM:** Cassey Ogden  
**DATE:** November 15, 2022

### **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 McCarthy Building Companies, Inc., for construction phase services for Southeast Denton Package B Improvements for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7714 – awarded to McCarthy Building Companies, Inc., in the not-to-exceed amount of \$21,582,378.00).

### **INFORMATION/BACKGROUND**

The Southeast Denton Neighborhood contains 71 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 Southeast Denton Neighborhood is the first neighborhood that will be delivered as part of the 2019 Street Reconstruction Bond using the City's new, more holistic approach to project delivery. Southeast Denton has been broken into two packages, Package A and Package B. Package A is currently in construction and scheduled to be completed in Q3 2023.

Southeast Denton Package B (SED-B) contains the remaining 49 roadway segments. The scope of work for segments in Package B includes full-depth street reconstruction and various utility replacements as needed. To achieve the goal of completing the 2019 Street Reconstruction Bond Program within a 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.

The purpose of this contract is for McCarthy Building Companies, Inc. to serve as the CMAR and provide construction phase services for SED-B. As the CMAR, McCarthy will manage subcontractors, the project schedule, and the established GMP. During the preconstruction phase, McCarthy 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, McCarthy 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 two-step Construction Manager at Risk (CMAR) selection process to award McCarthy Building Companies, Inc a CMAR Agreement authorizing to provide pre-construction services for the fee of \$174,955.

The project total cost of \$21,582,378.00 for SED-B construction consists of \$21,014,409.00 total GMP; and a \$567,969.00 owners contingency. A three (3) percent owner contingency is for the sole use of the City and will be subject to written authorization by the City's Project Manager and Program Manager.

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

On October 19, 2021, Council approved a Professional Services Agreement with Kimley-Horn and Associates, Inc., to provide design services for the Southeast Denton Package – B Improvements (Ordinance 21-2168).

On December 14, 2021, City Council approved a construction manager at risk contract for design phase services with McCarthy Building Companies, Inc. (Ordinance 21-2686).

On November 14, 2022, this item will be presented to the Public Utilities Board (PUB) for consideration.

### **RECOMMENDATION**

Award a contract with McCarthy Building Companies, Inc., for construction phase services for Southeast Denton Package B Improvements for the Capital Projects Department, in a not-to-exceed amount of \$21,582,378.

### **PRINCIPAL PLACE OF BUSINESS**

McCarthy Building Companies, Inc.  
Dallas, TX

### **ESTIMATED SCHEDULE OF PROJECT**

Construction for the SED-B project will be started in Q1 2023 with a projected completion date of Q3 2024.

### **FISCAL INFORMATION**

This contract will be funded from 2019 Street Reconstruction Bond account 350517473 and 350539467, Water Utilities account 630477523, and Wastewater Collection account 640458545. Requisition #158013 has been entered into the Purchasing software system in the amount of \$21,014,409. The total amount of this contract is \$21,582,378.

### **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.