



Memo

To: Clay Pearson, City Manager
From: Trent Epperson, Assistant City Manager
CC: Jon Branson, Deputy City Manager
Matt Buchanan, President Pearland EDC
Robert Upton, Director of Engineering &
Date: August 1, 2019
Re: SH288 Northbound Frontage Road (Magnolia Pkwy to FM518)

8/8/2019
To: Mayor and City Council members
Progress on the greatly-needed northbound SH 288 frontage road, CR 59 to FM 518, in unincorporated Brazoria County and along the TxDOT highway and new BCTRA toll road, has had a winding journey. Pulice Construction has completely convoluted the process by providing more than 100% construction cost increase from estimate, despite being in conversations along the way. We're now on a path to have TxDOT bid, but will be awaiting the TxDOT review before more clarity is available. Clay

Background

In an attempt to accelerate the SH288 Northbound Frontage Road project (Magnolia to FM518) the City started the design in March 2018 and entered into an Interlocal Agreement with Brazoria County and the Brazoria County Toll Road Authority (BCTRA). The Interlocal Agreement included a provisions for BCTRA change order the frontage road into the SH288 Toll Lane project to take advantage of the pricing in that project. Via the Interlocal the County is providing \$1,500,000 in construction funds. Additionally, the Pearland Economic Development Corporation has contributed a total of \$750,000 to the project for design and construction.

Throughout the design process the contractor for BCTRA, Pulice Construction, was provided interim plan sets for review with the understanding that the project would utilize existing unit pricing from the BCTRA contract, which provided the project cost estimate of \$3,864,112.16. When Pulice questioned the basis of our budget we communicated that it was the estimated quantities at the existing bid prices and both the City and Brazoria County communicated to them that the intent was to Change Order the frontage road into the Toll Lane project at the existing unit bid prices

At 90% design, we asked Pulice to price the project and provide any documentation on any items that tariffs or inflation may have outpaced their pricing model for the still on-going Toll Lane construction. Instead of starting with the bid unit prices, Pulice re-priced the entire project with a resulting proposed Change Order amount of \$7,505,410.78. A meeting was held with Pulice to understand the pricing and see if there were items that could bring the project back in line with estimates and they refused to concede there were any unit costs they could reduce, at which point the meeting ended. Pulice approached the City for another meeting and opportunity to re-examine their estimate on April 26, 2019. After the meeting, Pulice provided an updated proposed Change Order of \$8,011,126 at 95% design which was higher cost quote than the 90% plan cost quote.

Obviously, for staff to support a change order of this magnitude the pricing needed to be based on the original competitively bid prices. Since the contractor was unable or unwilling to start and work from the original prices, it was decided the best course of action is to have the project competitively bid.

Since this is a TxDOT facility, staff approached TxDOT ask if they would consider taking the completed design from the City to bid out and manage the construction of the project. TxDOT agreed and the City has requested an Advanced Funding Agreement (AFA) to establish the project scope and funding responsibilities. During the AFA negotiation, we requested TxDOT take on the cost of Construction Management (CM), Construction Inspection (CI), and Construction Material Testing (CMT), which typically for TxDOT runs about 11% of the construction costs. TxDOT agreed and we requested completion of the AFA. The last piece of the puzzle to get TxDOT to develop the AFA is disposition of the project's environmental approval.

Current Status

TxDOT has indicated that there are two options on getting the environmental approved for the project: 1) A re-evaluation of the entire SH288 Toll Road environmental document OR 2) conduct an individual evaluation of the frontage road project limits. Staff has sent the Environmental report that was developed by Crouch Environmental to TxDOT environmental group for their review. This report assumes that the entire existing right-of-way has been disturbed by the current project and therefore we are anticipating that a "Categorical Exclusion" for this project.

The project design is 90% completed and will be ready to turn over to TxDOT when the AFA is completed and approved by both agencies. Once the project is turned over to TxDOT it will start their 5 month review. Any comments received will then be incorporated and finalized. Upon completion of this incorporation the project, in its entirety, will be turned over to TxDOT's construction department to bid, award and construct. City, PEDC, and the Brazoria County funds will be turned over to TxDOT to utilize for the construction of the project.

Schedule

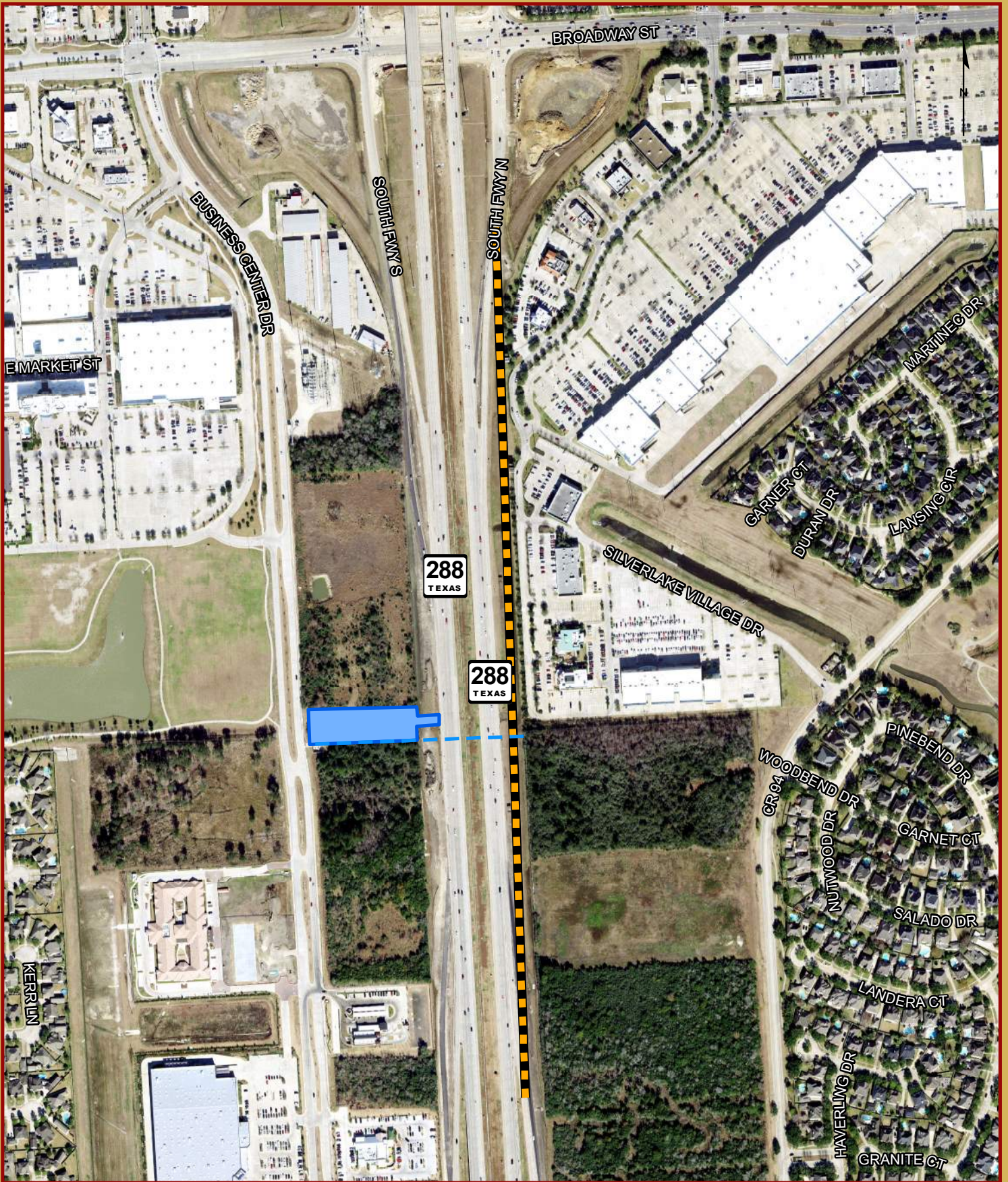
Depending on the direction from TxDOT the Environmental approval could take anywhere from 6-18 months. We will work with TxDOT to get the design reviews completed during this time and to get the project on their letting schedule. A better timeline will be provided once we have direction on the environmental, a completed AFA, and feedback from TxDOT as to when the project can be let.

Funding Status

The design has been funded 100% by the City and the Pearland Economic Development Corporation (PEDC) at a total cost of \$566,338. The construction costs will be funded by the remaining PEDC allocated funds (\$750,000 total authorized for the project), Brazoria County (\$1,500,000) and the City of Pearland will cover the balance estimated at \$5,210,000. TxDOT will provide the CM, CI, and CMT costs estimated at \$740,000 (11% of the budgeted construction cost)

Recommended Plan

- Complete the design
- Determine how best to achieve environmental clearance with TxDOT
- Complete a new AFA with TxDOT
- Amend the Interlocal with Brazoria County and BCTRA to remove BCTRA from the agreement and reflect that TxDOT will let the project and manage the construction



CITY OF PEARLAND

288 Frontage Road

- 288 Frontage
- Detention Pond
- 288 Outfall



1 inch = 500 feet
 AUGUST 2019
 GIS DEPARTMENT

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