



9/7/2023
 To: Mayor and City Council
 Upcoming final Change Order to close out the McHard Road project. Legal and the Projects team worked through disputed items with the contractor to arrive at a settlement agreement for the disputed items and items not accounted for in the design or quantities. The project is still well within budget.
 -Trent

McHard Road Extension (Mykawa to Cullen)

Is it in Budget?		Is it on Schedule for the Current Phase per the Contract?		Community Benefit	
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		<i>Improves mobility by providing an additional east west corridor as an alternative to Broadway (FM 518)</i>
Project Phase					
Construction					

Highlights:

The McHard Road Extension from Mykawa Rd. to Cullen Blvd. is complete and has entered the Project Close-out phase.

The project's substantial completion date was April 12, 2023. This date includes 99 critical path time impact days that were added to the contract.

This memo is to provide an update on the status of the settlement agreement between the city and contractor and to provide information regarding the forthcoming change order.

As part of the project close-out, the city has reached a settlement agreement with James Construction Group for issues that had not been resolved through the escalation process as prescribed by the Local Government Project Procedures (LGPP): the governing documents for projects constructed via the 80/20 funding split.

Following the dispute resolution process, James Construction Group (JCG), requested mediation proceedings to dispute City staff's final decision to reject the request for additional compensation for the perceived discrepancy between the Cement Stabilized Base (CSB) material and Cement Stabilized Sand (CSS) in the schedule of values, resulting in a material cost increase of \$232,281.00. The sub-base material was used on the side streets throughout the project limits. City staff had previously rejected the request, referencing the City Standard specification for sub-base material that the schedule of values reference in the plans.

JCG also requested reimbursements for construction work, including critical path time impacts due to waterline conflicts with the drainage system installation at the intersections throughout the alignment, and additional overhead due to delays. The settlement agreement also includes the following items, not previously disputed: modifications to the traffic signals to meet city standards (plans did not provide currently used cameras and push buttons), power to the irrigation system that was omitted in the plans, modifications to the detention ponds that were required by Brazoria Drainage District 4 (BDD4) after the outfall installation, additional pavement due to erroneous calculations of the quantities. Staff met with James Construction Group on July 19, 2023, to discuss the claims and work towards resolving the outstanding dispute. James Construction Group's claim in the total amount of \$1,893,324.92 included escalated cost of materials, delay impact, and extended field office overhead. **The discussion yielded a mutually agreed upon settlement amount of \$833,000.00. Line items in the construction contract that were not used were deleted and the cost savings applied to the settlement, resulting in a change order in the amount of \$791,371.15, which will be presented to Council for consideration on September 25, 2023.** The total amount of the change order includes the following:



McHard Rd. settlement terms:

- The settlement amount of \$833K includes compensation related to the costs incurred that are associated with Time Impact Analysis, specifically the productivity loss, additional overhead, and additional resources. The settlement amount also includes an additional 92 contract days related to the Time Impact and an additional 9 days related to the delayed CenterPoint Traffic Signal energization. The additional days avoid the assessment of Liquidated Damages against JCG.
- The release of retainage down to 1% on the June pay request, within 30 days. The June pay request was submitted on July 24th but required correction(s). The pay request was returned to the contractor on July 27th and was resubmitted on August 1st. Payment was disbursed on August 11th, in accordance with the terms of the settlement agreement (30 days from the date of the meeting).
- The settlement agreement stipulated payment of the remaining negotiated amount within 90 days, not later than October 17, 2023.
- The settlement agreement does not include any compensation related to the disputed sub-base material.

Additional work that was either not included or incorrect in the drawings:

- Added extension arms for Pedestrian Push Buttons on the traffic signals.
 - The plans called for the placement of pedestrian push buttons at each signalized intersection; however, the decorative base on the traffic signal pole would not allow placement compliant with ADA requirements.
 - The city's Traffic Department worked with the contractor to modify the extension arm on the poles.
- The procurement and installation of controllers and power for the irrigation system.
 - The plans did not include details of the placement of power to operate the irrigation controllers.
 - The resolution was to run power to the meter cans at the two of the signalized intersections.
 - Conduit and wire were installed to the two locations as well as a bore under the newly constructed McHard Rd. from the median to the meter cans.
- Modifications to the street light stub-ups.
 - After the stub-ups were installed according to the drawings, CenterPoint Energy reviewed the locations and revised the locations by adding additional stub-ups.
 - Stub-ups were also adjusted to avoid the pipeline easement.
- Compensation for paving overrun quantities due to the inaccurate calculation of the asphalt for the side streets.
 - The quantities for the side streets didn't take the lanes to the existing edge of pavement—each street was shown on the plans approximately 24 to 36 inches too narrow.
- Compensation for waterline conflicts which included realigning concrete box culvert(s), relocating waterlines, water meters, a fire hydrant, and raising manholes at four of the five intersections.

Modifications required by Brazoria Drainage District No. 4 (BDD4)

- BDD4 reviewed the plans prior to construction but didn't realize the details were out of date until they began field inspections.
 - BDD4 required the removal and revision of wingwalls and outfalls on both detention ponds before they would accept the work.



Corrective work:

- The contractor has submitted the revised proposal and schedule on August 29 for the Hatfield drainage work. The approximate lead time for the boxes is 8 to 12 weeks. The anticipated construction start date will be near the end of 2023. The cost of the revised Hatfield drainage system is \$212,35.11 and is included within the change order that Council will consider on September 25, 2023.
- Staff has submitted the change order to TxDOT for their approval. TxDOT approval will not affect the city's approval of the change order.
- TxDOT participation is not expected for any of the work items related to the waterline conflicts.

Ongoing work includes:

- Final punch list completion.

Outstanding Items: None

Budget Info:

Funding Sources	Series	To Date	Future	Total Budget
Certificates of Obligation	2022A	3,468,428		3,468,428
General Obligation Bonds	2014	531,488		531,488
General Obligation Bonds	2015	238,566		238,566
General Obligation Bonds	2016A	222,627		222,627
General Obligation Bonds	2017	1,725,637		1,725,637
General Obligation Bonds	2020	7,850,000		7,850,000
General Revenue - Cash				-
HGAC TIP		32,380,531		32,380,531
Other Funding Sources - (Old Alvin 2017)		1,016,382		1,016,382
Other Funding Sources - Fund 506 Balance		413,341		413,341
Total Funding Sources		47,847,000	-	47,847,000

Expenditures	To Date	Future	Total
PER			-
Land	6,807,538		6,807,538
Design	4,601,329		4,601,329
Construction Contract	31,559,040	791,372	32,350,412
Construction Management/Inspection	2,515,776		2,515,776
Construction Materials Testing	425,289		425,289
FF&E			-
Total Expenditures	45,908,973	791,372	46,700,345

Project Contingency	0%	45,182
Project Balance		1,101,473

Project balance includes TIP funds associated with the project.



Schedule Info:

	Base Line	Current
Design Start	August-14	August-14
Bid Start	April-17	January-20
Construction Start	June-20	September-20
Construction Completion	September-22	April-23

Upcoming Work Items:

- CenterPoint has scheduled the installation of the streetlights for mid-September.

Project Manager: Jennifer Lee

Designer: Freese and Nichols, Inc.

Contractor: James Construction Group

Construction Manager: HDR, Inc.

Scope:

The McHard Road project will extend from the intersection of Mykawa and McHard Rd. west to tie into the existing roadway at Cullen Blvd. It will include the construction of approximately 3.5 miles of four lane divided concrete curb and gutter roadway with signalized intersections (Max Rd., Roy Rd., O'Day Rd., Garden Rd., and Hatfield Rd.). Also included in the road design is grading, paving, mixed use sidewalks, drainage, detention ponds, signage, pavement markings, illumination, traffic control, storm water pollution prevention and landscaping/irrigation.

Justification:

This project is in accordance with the City's Thoroughfare Plan to alleviate traffic on FM 518 by providing an alternate east/west route between SH 288 and SH 35. The project was selected by H-GAC to receive 80% federal funding for design and construction through the 2016 TIP.

Previous Memos: 04.01.2015, 07.15.2015, 10.14.2015, 02.04.2016, 10.06.2016, 01.26.2017, 05.04.2017, 09.07.2017, 05.31.2018, 01.24.2019, 09.26.2019, 06.04.2020, 11.19.2020, 02.04.2021, 04.15.2021, 06.24.21, 9.30.21, 03.03.22, 9.1.22, 11.17.22, 03.09.23



Project Location Map:





Project Photos:



Cullen at McHard Rd. intersection, looking east.



Cullen at McHard Rd. intersection, looking west.



Cullen looking west.



Laying sod in the median at Roy Rd.



Energizing the traffic signal at O'Day Rd.



Excavating Hickory Slough Pond 2.