



Legislation Text

File #: 22-1051, **Version:** 1

STRATEGIC PRIORITY: Transportation & Infrastructure

AGENDA DATE: May 25, 2022

COUNCIL DISTRICT(S): All

DEPARTMENT: Department of Public Works

EXECUTIVE: Dr. Robert Perez

SUBJECT

Authorize Change Order No. 2 to the construction services contract with Heritage Materials, LLC to authorize reducing General Fund capacity by \$5,649,587.95 and Street and Alley Improvement Fund by \$5,649,587.95 and increasing Certificate of Obligation funding by \$11,299,175.90 for a zero-dollar change order, keeping the contract amount at \$193,566,066.60 - Financing: 2022 Certificate of Obligation Fund

BACKGROUND

This action will authorize Change Order No. 2 to the construction services contract with Heritage Materials, LLC to authorize reducing General Fund capacity by \$5,649,587.95 and Street and Alley Improvement Fund by \$5,649,587.95 and increasing the Certificate of Obligation funding by \$11,299,175.90, for a zero-dollar change order, keeping the contract amount at \$193,566,066.60.

On September 25, 2019, City Council approved a construction contract for the 36- Month Maintenance and Street Improvements Project for FY 2020-2022, in an amount not to exceed \$154,865,242.50 (subject to annual appropriations) by Resolution No. 19- 1478.

On April 13, 2022, City Council authorized Change Order No. 1 to the construction services contract with Heritage Materials LLC, to provide the additional resurfacing treatments utilizing recently approved Certificate of Obligation Funds, in an amount not to exceed \$38,700,824.10, increasing the contract amount from \$154,865,242.50 to \$193,566,066.60, by Resolution No. 22-0544. The construction contract was originally bid based on previous paving program lane miles for a 3-year period. Annual appropriations over the 3-year contract period did not cover the general and street funds needed for the total contract amount.

This action for Change Order 2 will decrease the General Fund and Street and Alley Improvement Fund capacities and increase the Certificate of Obligation Funding for a net zero-dollar change order. This change order will complete the projects identified for Certificate of Obligation funding.

This project provides for construction services scheduled for FY 2022.

Bid specifications were originally developed and publicly advertised on June 12 and June 19, 2019 for competitive bids associated with the 36-Month Maintenance & Street Improvements Project. Bids were opened on June 28, 2019.

Heritage Materials, LLC is a registered vendor with the City of Dallas, and their headquarters are located in Grapevine, Texas.

The following chart illustrates Heritage Materials, LLC's contractual activities with the City of Dallas for the past three years:

	<u>PBW</u>	<u>DWU</u>	<u>PKR</u>	<u>TRN</u>
Projects Completed	0	2	0	0
Change Orders	0	1	0	0
Projects Requiring Liquidated Damages	0	0	0	0
Projects Completed by Bonding Company	0	0	0	0

ESTIMATED SCHEDULE OF PROJECT

Began Construction	October 2019
Complete Construction	October 2022

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[City Council was briefed by memorandum regarding this matter on September 20, 2019. <https://dallascityhall.com/government/citymanager/Documents/FY18-19%20Memos/September-25-2019-City-Council-Agenda-Items-6-and-7_Memo_092019.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY18-19%20Memos/September-25-2019-City-Council-Agenda-Items-6-and-7_Memo_092019.pdf)

On September 25, 2019, City Council authorized the construction services contract with Heritage Materials, LLC by Resolution No. 19-1478.

[The Transportation and Infrastructure Committee was briefed by memorandum regarding this matter on March 29, 2022. <http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=8ffafd57-e19e-48de-a33b-7b5f56028e01.pdf>](http://cityofdallas.legistar.com/gateway.aspx?M=F&ID=8ffafd57-e19e-48de-a33b-7b5f56028e01.pdf)

On April 13, 2022, City Council authorized Change Order No. 1 to the construction services contract with Heritage Materials, LLC by Resolution No. 22-0544.

[The Transportation and Infrastructure Committee was briefed by memorandum regarding this matter on May 16, 2022. <https://cityofdallas.legistar.com/LegislationDetail.aspx?ID=5651690&GUID=2A8C5AC3-1014-417D-9706-8B62F0451172&Options=&Search=>](https://cityofdallas.legistar.com/LegislationDetail.aspx?ID=5651690&GUID=2A8C5AC3-1014-417D-9706-8B62F0451172&Options=&Search=>)

FISCAL INFORMATION

Fund	FY 2022	FY 2023	Future Years
General Fund	(\$11,299,175.90)	(\$0.00)	\$0.00
2022 Certificate of Obligation Fund	\$11,299,175.90	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00

Construction	\$154,865,242.50
Change Order No. 1	\$ 38,700,824.10
Change Order No. 2 (this action)	\$ 0.00
Total Project Costs	\$193,566,066.60

Estimated Future Cost (Testing)	\$ 1,161,000.00
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M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal	M/WBE %	M/WBE \$
(\$22,299,175.00)	Construction	25.66%*	0.00%	\$0.00
• Change Order No. 2 - 33.53% Overall M/WBE goal.				
• This contract does not meet the M/WBE goal, this is a reduction				
• Heritage Materials, LLC - Non-Local; Workforce - 70.00% Local				

OWNER

Heritage Materials, LLC

Frank Renda, Vice President

MAP

Attached