



## CITY COUNCIL MEMORANDUM

**From:** The Office of the City Manager **Date:** January 8, 2018

**Subject:** The City Council is being asked to recommend an award of a construction contract by Tarrant County to McClendon Construction Company for the CIP Project identified as the Meadow Court Street Improvement Project (CDBG18) in the Capital Projects Budget, and to pledge city funds to augment the CDBG grant for a total contract amount of \$263,929.00.

**Presenter:** Caroline Waggoner, City Engineer

### **Summary:**

The City Council is being asked to recommend an award of a construction contract to McClendon Construction by Tarrant County for the CIP Project identified as "*Meadow Court*" (CDBG18) in the Capital Projects Budget and to pledge city funds to augment the CDBG grant.

### **General Description:**

The Meadow Court Street Reconstruction (the "Project") consists of the city's 43<sup>rd</sup> Year Community Development Block Grant (CDBG) Project. Although the City of North Richland Hills is an entitlement city and therefore receives CDBG funds directly, the city has contracted with Tarrant County's CDBG Department to administer the city's CDBG funds. Essentially, the city determines the projects and the county administers the projects. However, the city reviews all bids and consultant contracts and makes recommendations to the county for approval. Tarrant County therefore awards both the design consultant and construction contracts. Tarrant County's administration of the city's CDBG Projects does not include construction inspection; the city will provide these services.

The project consists of reconstructing Meadow Court from an asphalt street section to a concrete street section and installing sidewalks. The project includes a base bid which consists of the street construction and any minor utility adjustments. City forces recently replaced the existing water main and services in preparation for this project.

Tarrant County staff reviewed and approved the project's contract documents prior to bidding and scheduled a Bid Opening for December 13, 2017. Bids were received by Tarrant County at their offices on this date. A total of two (2) contractors submitted bids; these bids are summarized in the table below:



Name of Contractor	TOTAL BID
McClendon Construction	\$263,929.00
XIT Paving & Const.	\$266,397.00

Tarrant County is requesting the city to recommend an award of the bid for this project. Both the city and county have had prior experience with the low bidder on projects of similar scope and size and both believe McClendon Construction to be a reliable contractor.

When the project was established, it was believed that the CDBG grant amount would fund the total project. However, due to rising construction prices the bids came in over project estimates. Staff is proposing to utilize \$35,000 in project savings from the Lynda Court CDBG project (CDBG16) to make up the difference between the project's bid amount and the available grant funds. In addition to the revision, Tarrant County has notified the city that there is an additional \$25,618.90 in costs they will be absorbing through additional CDBG allocations as part of the project. This project is managed and paid for directly by Tarrant County and prior to this revision there was no funding requirement from the city. The proposed budget revision forms have been included as attachments to this agenda item.

With the project budget comprised of both CDBG and city funds for this project, North Richland Hills will need to pledge to pay the difference between the available CDBG funds and the project total. Note that the pledge amount to Tarrant County is for the difference between the available grant funds and the total bid amount. While Tarrant County normally requires an additional 10% contingency in the pledge, the city provided three discretionary allowance items in the bid which the county will accept in lieu of the typical 10%. These allowance items amount to 3.7% of the bid price.

Bid Amount:	\$263,929.00
Tarrant County:	\$233,385.60
North Richland Hills:	<u>\$ 30,543.40</u>
Total:	\$263,929.00

Construction is anticipated to begin in April and take 90 calendar days to complete.

**Recommendation:**

Approve Resolution No. 2018-001 recommending the award of a construction contract by Tarrant County to McClendon Construction Company for the 43<sup>rd</sup> Annual Community Development Block Grant Project identified as the Meadow Court Street Improvement



Project in the total contract amount of \$263,929 and approve the associated budget transfer.