



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager  
**DATE:** January 23, 2023

**SUBJECT:** Consider award of RFB No. 23-005 to The Fain Group, Inc., for construction of the Iron Horse East Project (ST2101) in the amount of \$5,868,723 and authorize the City Manager to execute the related construction agreement.

**PRESENTER:** Nathan Frohman, City Engineer

### **SUMMARY:**

The City Council is being asked to award RFB No. 23-005 to The Fain Group, Inc., and authorize the City Manager to execute the related construction agreement for the Iron Horse East Project (ST2101).

### **GENERAL DESCRIPTION:**

A bid opening was conducted for the Iron Horse East Project on December 14, 2022. The Iron Horse East Project is a part of the approved 2020 Bond Program and will be the second "major" (collector or arterial classification) roadway to begin construction under that program. This project was also awarded an Economic Development Administration grant. The scope of the project includes full pavement reconstruction, upgraded storm drain system, and continuous pedestrian facilities. The existing five-lane roadway will be "right sized" to a two-lane configuration with a raised median, as recommended by the 2019 Transportation Plan.

The project was structured with a base plus alternate format to provide an option for a slight expansion of project scope at the discretion of the City Council if the alternate is deemed to be worth the additional expense. The base bid includes all core project components: paving, drainage, utility adjustments, pedestrian facilities, traffic control, and so forth. The project alternate is as follows:

- Underground conduit ("sleeves") for future irrigation of the new medians along Iron Horse Boulevard.

Notice of the city's intent to bid was advertised in local newspapers, as required by state statute, and posted on the city's website. Bid specifications were viewed on the city's website by multiple entities. The project received six bids, which were opened during the December 14, 2022, bid opening. The bids are provided below:



Description	Fain Group Total Price	Ed Bell Total Price	Tiseo Total Price	DDM Total Price	XIT Total Price	McClendon Total Price
<b>Base Bid Total</b>	\$5,853,797.00	\$5,969,924.85	\$6,075,872.00	\$6,147,758.00	\$6,263,685.00	\$6,747,587.62

Bid Alternate	\$14,926.00	\$27,218.00	\$27,042.40	\$30,730.00	\$26,340.00	\$15,365.00
<b>Base Bid + Alternate</b>	\$5,868,723.00	\$5,997,142.85	\$6,102,914.40	\$6,178,488.00	\$6,290,025.00	\$6,762,952.62

Once the bids were received and evaluated by staff, a letter of recommendation to award a contract to The Fain Group, Inc., along with our request for concurrence was sent to the Economic Development Administration (EDA). On January 11, 2023, the EDA provided authorization for the city to award the construction contract to The Fain Group, Inc. Therefore, city staff recommends awarding the base bid plus alternate to the lowest bidder in that scenario: The Fain Group, Inc., who has successfully completed similar projects for other DFW municipalities in the past five years.

The Iron Horse East Reconstruction Project was awarded a Grant from the Economic Development Administration (EDA) under the Federal CARES Act on March 11, 2021. The Grant is an 80% (Federal) / 20% (Local) split with the maximum federal contribution of \$4,220,000 (engineering and construction), with the city being responsible for 100% of any overages. Funding for this project was included in the Adopted Capital Projects Budget, but project costs have proven higher than originally anticipated due to an increase in material / construction costs. The low bid came in \$1,260,323 over the construction budget. Staff has identified \$333,692 in savings from the design budget that can be transferred to the construction budget to reduce the overage to \$926,031. Additional funding is available to address the deficit in this project by utilizing \$1,000,000 in funding from the 2020 Bond Program to address the overage and provide \$73,969 as an additional contingency due to the high project cost.

	ADOPTED BUDGET THRU 2022/23	PROJECT REVISION	REVISED BUDGET THRU 2022/23	REMAINING BALANCE	TOTAL PROJECT COST
<b>FUNDING SOURCES</b>					
Certificates of Obligation	\$ 1,055,000.00		\$ 1,055,000.00		\$ 1,055,000.00
Federal EDA Cares Act Grant	\$ 4,220,000.00		\$ 4,220,000.00		\$ 4,220,000.00
2020 Bond Program		\$ 1,000,000.00	\$ 1,000,000.00		\$ 1,000,000.00
<b>TOTAL =</b>	\$ 5,275,000.00	\$ 1,000,000.00	\$ 6,275,000.00		\$ 6,275,000.00
<b>PROJECT EXPENDITURES</b>					
Engineering/Design	\$ 666,000.00	\$ (333,692.00)	\$ 332,308.00		\$ 332,308.00
Construction	\$ 4,609,000.00	\$ 1,333,692.00	\$ 5,942,692.00		\$ 5,942,692.00
<b>TOTAL =</b>	\$ 5,275,000.00	\$ 1,000,000.00	\$ 6,275,000.00		\$ 6,275,000.00



**RECOMMENDATION:**

Award RFB Bid No. 23-005 to The Fain Group, Inc., for construction of the Iron Horse East Project (ST2101) in the amount of \$5,868,723.00 and authorize the City Manager to execute the related construction agreement.