



AGENDA MEMORANDUM

Action Item for the City Council Meeting of August 9, 2022

DATE: August 9, 2022

TO: Peter Zanoni, City Manager

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<p><u>Construction Change Orders</u> Packery Channel Restoration</p>
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CAPTION:

Motion authorizing the approval of Change Order No. 1 with Callan Marine, LTD, Galveston, Texas, for the Packery Channel Restoration Project, in an amount of \$2,620,053.00 of which FEMA will reimburse \$2,358,047 for a total amount not to exceed \$14,979,102.30 with FY 2022 funding available from the Parks & Recreation, Tax Increment Reinvestment Zone #2 (Island TIRZ), and the Storm Water Capital Improvement Project (CIP) Funds.

SUMMARY:

This change order authorizes additional funding to complete critical channel infrastructure improvements to include obtaining additional materials, associated work for repairs to the revetment, walkway, storm drain outfalls, and a new light pole. FEMA will reimburse the City 90% (\$2,358,047) of the change order.

BACKGROUND AND FINDINGS:

On October 19, 2021, City Council passed an ordinance accepting and appropriating a Federal Emergency Management Agency (FEMA) - Public Assistance (PA) reimbursement grant in the total amount of up to \$13,579,821.82 to assist with renovation repairs to the Packery Channel as a result of damage caused by Hurricane Harvey.

In order to complete the application for the FEMA-PA grant, the City conducted a survey in August 2017. From the survey, contractual quantities for material and estimated costs were established. The survey was given to FEMA and maintained by the City for its records.

After protracted discussions with FEMA, the agency ramped up its efforts to approve the grant in 2021. To keep pace with FEMA's policy shift, the Packery Channel project was bid with the 2017 survey. It was understood that the continued deterioration of the Packery Channel over the previous four years would require a new survey and additional damage would likely be identified. However, conducting a new assessment would have added an additional 6 – 8 months to the project during which time the channel could have suffered more damage. Therefore, the bid included language requiring the winning contractor to conduct a pre-construction and post-construction survey to identify the current condition of the site. It was understood that a change would be borne of an updated survey and additional construction services would be identified.

The item awarded the Packery Channel restoration construction contract to Callan Marine, Ltd. in the amount of \$12,359,049.30. This project included repairs to shoreline protection, sidewalks, bollards, and other damaged structures at the Packery Channel.

Construction of the Packery Channel Restoration project commenced on January 10, 2022 and is planned for completion in early Spring 2023. On June 16, 2022, the City's construction contractor, Callan Marine, submitted a cost proposal for a change order to address additional work requested by the City. The change order request included additional materials and associated work for repairs to the revetment, walkway, storm drain outfalls, and a light pole.

The additional work is a result of ongoing erosion that has occurred since the project's assessment and design in August 2017. The damaged shoreline protection barrier and walkway have allowed tides, waves, currents, rain, and wind to erode sand from the bank, further undermining the shoreline protection and causing progressive loss of the foundation material that originally supported the landside jetty, concrete-block revetment, and walkway along the north and south sides of the channel. The erosion is expected to continue until the repairs are complete.

In addition to the repairs needed after Hurricane Harvey, Callan's proposal included removal of a sunken truck in the channel near Station 182+40 (as referenced along the Channel baseline). The truck was identified in an April 2020 survey performed by Texas A&M University-Corpus Christi for the City. Removal of the truck is recommended to facilitate future maintenance dredging of the channel.

PROJECT TIMELINE:

Change Order No. 1 will authorize an additional 60 calendar days to construction contract. The anticipated substantial completion date of the project is May 2023.

ALTERNATIVES:

City Council could choose not to approve the Change Order No. 1. Not awarding the Change Order will delay the Packery Channel Restoration project and risk further damage and erosion.

FISCAL IMPACT:

The fiscal impact for the FY 2022 is an amount of \$2,620,053.00 with funding available from the

Parks, TIRZ #2, and Storm Water CIP Funds. FEMA will reimburse the City 90% (\$2,358,047) of the change order.

FUNDING DETAIL:

Fund: **Park CIP (Fund 3280)**
Mission Elem: Mng Parks & Rec Facilities (141)
Project: Packery Channel TDEM Restoration (Project No. 21200)
Account: Construction (550910)
Activity: 21200-3280-EXP
Amount: \$2,115,762.12

Fund: **PackChProjTIF2 (Fund 3278)**
Mission Elem: Packery Channel (717)
Project: Packery Channel TDEM Restoration (Project No. 21200)
Account: Construction (550910)
Activity: 21200-3278-EXP
Amount: \$235,084.68

Fund: **Storm Water 2022 CIP (Fund 4533)**
Mission Elem: Drainage Infra – Surface/Pipes (043)
Project: Packery Channel TDEM Sewer (Project No. 21202)
Account: Construction (550910)
Activity: 21202-4533-EXP
Amount: \$269,206.20

RECOMMENDATION:

Staff recommends approval of this Change Order No. 1 in an amount of \$2,620,053.00 for the Packery Channel Restoration Project, with Callan Marine, Ltd., to increase contract capacity for additional channel infrastructure improvements.

LIST OF SUPPORTING DOCUMENTS:

Location and Vicinity Map
Packery Channel Restoration Change Order No. 1
CIP Page