



**22-1217**

**TITLE:** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Change Order between H-E-B, LP, EMJ Construction, LLC in its capacity as Managing Agent for H-E-B, LP and McMahon Contracting, LP pursuant to the First Amended and Restated Chapter 380 Economic Development Agreement, dated effective September 15, 2022, by and between City of McKinney, Texas, McKinney Community Development Corporation and H-E-B, LP for the Combined Eldorado Parkway Project

**COUNCIL GOAL:** Operational Excellence  
(2B: Balance available resources to accommodate the growth and maintenance needs of the city)

**MEETING DATE:** January 17, 2023

**DEPARTMENT:** Development Services / Engineering

**CONTACT:** Gary Graham, P.E., Director of Engineering  
Blake Sills, P.E., Interim CIP Manager  
Manjeeta Sitaula, P.E., CIP Engineer

**RECOMMENDED CITY COUNCIL ACTION:**

- Approval of the Resolution.

**ITEM SUMMARY:**

- This Resolution authorizes the City Manager to execute change orders up to the amount of \$750,000 between H-E-B, LP, EMJ Construction, LLC in its capacity as Managing Agent for H-E-B, LP and McMahon Contracting, LP pursuant to the First Amended and Restated Chapter 380 Economic Development Agreement, dated effective September 15, 2022, by and between City of McKinney Texas, McKinney Community Development Corporation and H-E-B, LP for the Combined Eldorado Parkway Project.

**BACKGROUND INFORMATION:**

- The Capital Improvement Program (CIP) includes funding under CIP Project ST1838 for the construction of improvements along Eldorado Parkway from

Custer Road to Orion Drive generally including widening of Eldorado Parkway from 4-lanes to 6-lanes and associated intersection improvements at Custer Road.

- The Project includes widening of the eastbound and westbound bridges on Eldorado Parkway over Rowlett Creek.
- The Contractor noticed cracking and spalling at the abutments prior to the start of bridge construction. The Engineer performed field observations to assess the problem and recommend solutions. The proposed change order will reconstruct the eastbound and westbound bridge abutments and wingwalls. The current amount of the estimated change order based on the preliminary plans is \$450,000.
- The Change Order will increase City of McKinney’s contribution amount for the Combined Eldorado Parkway Project.
- The additional funds will be delivered to the escrow agent under the escrow agreement.

**FINANCIAL SUMMARY:**

- The overall contribution from City of McKinney for the project (section 5.h.- Escrowed Funds of the First Amended and Restated Chapter 380 Economic Development Agreement) may increase from \$2,747,731 up to \$3,497,731. The new total for the Combined Eldorado Parkway Project may be increased from \$3,477,731 up to \$4,197,731.

<b>ESCROW ACCOUNT: CONTRIBUTION BREAKDOWN</b>	<b>Currently Planned Public Infrastructure (CPPI) (SCHEDULE A)</b>	<b>(Expanded Public Infrastructure) (SCHEDULE B)</b>	<b>First Amended 380 Agreement TOTAL (SCHEDULE A+B)</b>	<b>Potential Change Order Amount (NTE)</b>	<b>TOTAL Revised Contribution with Potential Change Orders (NTE)</b>
CONTRIBUTION FROM CITY OF MCKINNEY & MCDC	\$1,916,866	\$830,865	<b>\$2,747,731</b>	\$750,000	<b>\$3,497,731</b>
CONTRIBUTION FROM HEB	\$0	\$700,000	<b>\$700,000</b>	\$0	<b>\$700,000</b>
TOTAL ESCROW AMOUNT	\$1,916,866	\$1,530,865	<b>\$3,447,731</b>	\$750,000	<b>\$4,197,731</b>

- Funding for this change order is included in the Capital Improvements Program (CIP Project ST1838).
- With the approval of this item, \$308,871 will remain in project ST1838.

**SUPPORTING MATERIALS:**

Resolution