

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

NOTICE OF AND AGENDA FOR A SPECIAL MEETING

TO BE HELD BY THE BOARD OF DIRECTORS

DATE: WEDNESDAY, NOVEMBER 10, 2021
TIME: 5:30 PM
PLACE: HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
TELECONFERENCE MEETING

PRESIDING: S. DAVID DEANDA, JR, CHAIRMAN

MEMBERS OF THE PUBLIC ARE WELCOMED TO PARTICIPATE REMOTELY BY TELEPHONE

DIAL-IN NUMBER: +1 956-413-7950
CONFERENCE ID: 798 306 240#
WEB LINK: [Click here to join the meeting](#)

An electronic copy of the agenda packet can be obtained at www.hcrma.net

PLEDGE OF ALLEGIANCE

INVOCATION

CALL TO ORDER AND ESTABLISHMENT OF A QUORUM FOR SPECIAL MEETING

PUBLIC COMMENT

1. REGULAR AGENDA

- A. Resolution 2021-54 – Consideration and Approval of Change Order 1 to the construction contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).

ADJOURNMENT OF SPECIAL MEETING

CERTIFICATION

I, the Undersigned Authority, do hereby certify that the attached agenda of the Hidalgo County Regional Mobility Authority Board of Directors is a true and correct copy and that I posted a true and correct copy of said notice on the Hidalgo County Regional Mobility Authority Web Page (www.hcrma.net) and the bulletin board in the Hidalgo County Court House (100 North Closner, Edinburg, Texas 78539), a place convenient and readily accessible to the general public at all times, and said Notice was posted on the 4th day of **November 2021** at **5:00 pm** and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

Maria E. Alaniz
Administrative Assistant

Note: If you require special accommodations under the Americans with Disabilities Act, please contact Maria E. Alaniz at 956-402-4762 at least 96 hours before the meeting.

PUBLIC COMMENT POLICY

Public Comment Policy: “At the beginning of each HCRMA meeting, the HCRMA will allow for an open public forum/comment period. This comment period shall not exceed one-half (1/2) hour in length and each speaker will be allowed a maximum of three (3) minutes to speak. Speakers addressing the Board through a translator will be allowed a maximum of six (6) minutes.

All individuals desiring to address the HCRMA must be signed up to do so, prior to the open comment period. For meetings being held by telephonic or videoconference, individuals may contact Maria. E. Alaniz at (956) 402-4762 before 5:00 pm day of the meeting.

The purpose of this comment period is to provide the public an opportunity to address issues or topics that are under the jurisdiction of the HCRMA. For issues or topics which are not otherwise part of the posted agenda for the meeting, HCRMA members may direct staff to investigate the issue or topic further. No action or discussion shall be taken on issues or topics which are not part of the posted agenda for the meeting. Members of the public may be recognized on posted agenda items deemed appropriate by the Chairman as these items are considered, and the same time limitations applies.”

Note: Participation by Telephone/Video Conference Call – One or more member of the HCRMA Board of Directors may participate in this meeting through a telephone/video conference call, as authorized by Sec. 370.262, Texas Transportation Code.

Item 1A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 1 </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 11/05/2021 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 11/10/2021 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **Resolution 2021-54 – Consideration and Approval of Change Order 1 to the construction contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).**

2. Nature of Request: (Brief Overview) Attachments: Yes No

Consideration and approval of Change Order construction contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).

3. Policy Implication: Board Policy, Local Government, Texas Government Code, Texas Transportation Code, TxDOT Policy

4. Budgeted: Yes No N/A Funding Source:

5. Staff Recommendation: **Motion to approve Resolution 2021-54 – Approval of Change Order 1 to the construction contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).**

6. Development Engineer’s Recommendation: Approved Disapproved None

7. Construction Engineer’s Recommendation: Approved Disapproved None

8. Chief Auditor’s Recommendation: Approved Disapproved None

9. Board Attorney’s Recommendation: Approved Disapproved None

10. Chief Financial Officer’s Recommendation: Approved Disapproved None

11. Executive Director’s Recommendation: Approved Disapproved None



Memorandum

To: Pilar Rodriguez, PE, Executive Director

From: Ramon Navarro IV, P.E., Chief Construction Engineer

Date: November 5, 2021

Re: **Consideration and Approval of Change Order 1 to the Construction Contract with Pulice Construction Inc. for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).**

Background

On October 19, 2021, the Board of Directors awarded the construction contract for the 365 Tollway Project to the lowest, responsive and responsible bidder Pulice Construction, Inc. [PCI] in the amount of \$295,932,420.25 with issuance of NTP subject to a reduction of scope to bring the project back into budget by implementing project's Value Engineering Change Proposals [VECP]. A method of identifying and implementing function oriented techniques to improve the Project or any component thereof, by including enhancements to schedule, operating costs, constructability, and or risk mitigation concepts.

Goal

Attached for the Board's review and consideration, is Change Order Number 1 to the construction contract with PCI for the 365 Tollway Project from US 281/Military Highway to FM 396 (Anzalduas Highway).

Change Order Number 1 is to consider the Value Engineering Change Proposal (VECP) for possible project savings. The VECP would require PCI and HCRMA concurrence to enter into a VECP process to achieve a total project cost that can be financed. Initial discussions have established various potential concepts. CO#1 would authorize PCI to develop the design, budget and savings; and, establishes compensation for such services to be the lesser of (a) the sum (5% of the Projected Savings x 30%), or (b) the direct costs to the Contractor in developing the acceptable Project Savings (the "Cost") within 30 days from the date of this Change Order to present projected savings acceptable to the Owner (November 24, 2021, the "Design Deadline"). A list of possible VECP items and the rough order of magnitude for cost savings is attached.

The Board's approval shall be pursued via CO#2 for final plans, specifications and pricing. Thereafter, each additional VECP would be presented to the Board for consideration and approval individually. The Projected Savings shall be established by Contractor based on the preliminary design work, regardless of cost increases or decreases in final design. Contractor's direct costs for preparation of the VECP and Owner's reasonable costs to review and administer the VECP shall be deducted from the gross savings. The gross savings of any accepted Final VECP under the Contract shall be shared between the Owner and Contractor as follows: Owner 40% and Contractor 60%.

Recommendation

Based on review by this office, approval of Change Order 1 to the construction contract with Pulice Construction Inc. for the 365 Tollway Project is recommended.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
BOARD RESOLUTION No. 2021-54

**CONSIDERATION AND APPROVAL OF CHANGE ORDER 1 TO THE CONSTRUCTION
CONTRACT WITH PULICE CONSTRUCTION INC. FOR THE 365 TOLLWAY PROJECT FROM
US 281/MILITARY HIGHWAY TO FM 396 (ANZALDUAS HIGHWAY)**

THIS RESOLUTION is adopted this 10th day of November, 2021 by the Board of Directors of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”); and

WHEREAS, on November 17, 2005, the Texas Transportation Commission (the “Commission”) created the Authority pursuant to (i) the Act; (ii) Title 43, Texas Administrative Code; (iii) a petition of the Hidalgo County Commissioners Court (the “County”); and (iv) findings by the Commission that the creation of the Authority would result in certain direct benefits to the State of Texas (the “State”), local governments, and the traveling public and would improve the State’s transportation system; and

WHEREAS, the Act allows the Authority to construct transportation projects within the County, including the 365 Tollway Project (the “Project”); and

WHEREAS, the Texas Department of Transportation approved the Project’s final design, contract letting and award procedures, and form of construction contract; and

WHEREAS, on August 8, 2021, August 11, 2021, August 15, 2021, August 18, 2021, August 22, 2021, and August 25, 2021 the Authority published a solicitation for Bid #2021-001 for the 365 Tollway Project (Segments 1 and 2), Contract No. 0921-02-368 for the Project; and

WHEREAS, bids for the Project were submitted electronically via Civcast Bid System; the first bid was received at 2:27 p.m. on October 13, 2021, and the last bid was received at 2:51 pm on October 13, 2021; and

WHEREAS, at 3:05 p.m. on October 13, 2021, the Authority opened and read into the record three (3) formal sealed, electronic bids for the Project from: (i) Pulice Construction, Inc. , (ii) Webber, LLC., (iii) and Anderson Columbia Co., Inc., in amounts ranging from \$295,932,420.25 to \$340,409,415.64 for construction of the Project; and

WHEREAS, Pulice Construction, Inc. provided the lowest Project bid in the amount of \$295,932,420.25; and

WHEREAS, on November 9, 2021 the Board approved Resolution 2021-46 awarding the construction contract of the 365 Toll Project to the lowest, response and responsible bidder Pulice Construction, Inc. in the amount of \$295,932,420.25; and

WHEREAS, the contract is subject to approval of the low bidder from the Texas Department of Transportation, as provided for in Section IV.8(b) of the Project’s Project Development, Operation and Maintenance Agreement; no Notice to Proceed (“NTP”) shall be issued prior to (i) the issuance of toll revenue bonds providing adequate financing for the Project, including the construction contract, and (ii) concurrence

of the NTP by the Board; and, Upon execution of the construction contract with Pulice Construction, Inc and concurrence by the Texas Department of Transportation, the Executive Director shall initiate a post-award value engineering process in compliance with state and federal laws and guidelines, and with the consent of Pulice Construction, Inc, to identify function oriented techniques to improve the value of the Project or any component thereof, including improvement to schedule, operating costs, constructability, and risk mitigation. Nothing herein authorizes any changes to the Project resulting from such a process that alters any material assumption of the Project's environmental clearance

WHEREAS, pursuant to the Act the Board finds it in the Authority's best interests to initiate a post-award value engineering process in compliance with state and federal laws and guidelines, and with the consent of Pulice Construction, Inc, to identify function oriented techniques to improve the value of the Project or any component thereof, including improvement to schedule, operating costs, constructability, and risk mitigation; without altering scope or environmental justices, hereby authorize terms of Exhibit A and approve Change Order One to Pulice Construction, Inc.;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board hereby approves Change Order Number 1 to the construction contract with Pulice Construction Inc. for construction of the 365 Toll Project in substantially final form as attached hereto as Exhibit A.

Section 3. The Board approves Change Order 1 with no issuance of an NTP to Pulice Construction Inc. until such Project scope of the Value Engineering Proposal is approved by the Board of Directors and TxDOT.

Section 4. If the Project scope is not deemed feasible and additional revenue is not available to fully fund the Project, no NTP shall be issued. If NTP is not issued, the Authority shall terminate the contract without incurring any additional costs other than those approved under Change Order 1.

Section 5. The Board hereby authorizes the Executive Director to execute the Change Orders 1 with Pulice Construction Inc.

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING on the 10th day of November, 2021, at which meeting a quorum was present.

S. David Deanda, Jr., Chairman

Ezequiel Reyna, Jr., Secretary/Treasurer

EXHIBIT A
CHANGE ORDER NUMBER ONE [CO1]
BETWEEN
PULICE CONSTRUCTION, INC.
AND
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
FOR
CONSTRUCTION OF
365 TOLLWAY PROJECT

365 TOLLWAY, SEGMENTS 1 AND 2 (365 TOLL PROJECT)

CHANGE ORDER NO. 1

Project Information	ISSUANCE DATE: November 10, 2021
Project	365 Toll Project
CSJ	0921-02-368
Owner	Hidalgo County Regional Mobility Authority (HCRMA)
Description and Reason for the Change Order	

This change order is the result of the conditional contract award requiring:

- (i) TxDOT concurrence on award, as required in the Project Development Agreement; and
- (ii) Withholding NTP until project financeability has been established and completed by the Financing Deadline (described below).

Value Engineering Change Proposal. Item (ii) triggers the Value Engineering Change Proposal (“VECP”) process in the Contract (Section V of the Bid Document). Contractor and Owner agree to enter into a VECP process to achieve a total project cost that is financeable, estimated by the Owner’s financial advisor to be \$280,000,000 (a reduction in project costs, from materials, scope, schedule, etc. of approximately \$37,000,000 as established by 30% design (the “Projected Savings”)).

Schedule of VECP. Contractor agrees on or before December 1, 2021 Contractor will present Projected Savings acceptable to the Owner based on 30% design (the “Design Deadline”). Unless Contractor extends unit pricing beyond 120 days from the Date of Award (October 19, 2021), the Financing Deadline is February 15, 2022. The Financing Deadline requires closing on toll revenue bonds supporting the Project, which requires that the Contract be executed with a change order by December 8, 2021 that establishes a total Project cost that is, in the estimation of the financial advisor, financeable by the toll revenue bonds.

Costs of VECP. The cost to the Project from developing the Projected Savings concepts to a 30% (preliminary) level under this Change Order will be calculated as the lesser of (a) the sum (5% of the Projected Savings x 30%), estimated to be \$562,000, or (b) the direct costs to the Contractor in developing the acceptable Project Savings (the “Cost”). The Cost will be approved by a separate change order. If the Project is financed, the Cost paid to the Contractor will be deducted from the gross savings of the VECP. If the Project is not financed, Owner shall pay the Costs to Contractor. Owner shall own the preliminary design documents created in support of the Projected Savings.

Final design effort including incidental costs for developing Projected Savings concepts to the issued for construction level (VECPs established by a change order and revising the total Contract amount) shall be deducted from the gross savings of the VECP. Owner shall own the final design documents created under VECP.

VECP Savings. Contractor shall present VECP proposed items to Owner as described in Exhibit A for each of the concepts rated A or B. Items the Owner accepts shall be designed to 30% by the Design Deadline. The Projected Savings shall be established by Contractor based on the preliminary design work, regardless of cost increases or decreases in final design.

Contractor's direct costs for preparation of the VECP and Owner's reasonable costs to review and administer the VECP shall be deducted from the gross savings. The gross savings of any accepted Final VECP under the Contract shall be shared between the Owner and Contractor as follows: Owner 40% and Contractor 60%.

For example and by way of illustration, if the VECP Projected Savings were \$1,000,000:

VECP Projected Savings	\$1,000,000	
Preliminary design	\$15,000	
Final Design	\$35,000	
Owner Costs	<u>\$10,000</u>	<u>Division of Balance</u>
Balance	\$940,000	Owner: \$376,000
		Contractor: \$564,000 (+/- difference in Projected Savings vs Actual Savings)

Price and Budget

There will be no cost impact associated with this change order. This change order establishes the framework for VECP to achieve Projected Savings to make the Project financeable by toll revenue bonds.

365 TOLL PROJECT, SEGMENTS 1 AND 2

CHANGE ORDER NO. 1

For TxDOT/HCRMA/FHWA use only:	
Days FHWA Non-Participating Co Portion FHWA Non-Participating	N/A \$0.00
Project Schedule	
Substantial Completion Date: Final Acceptance Date:	TBD TBD
Signatures	
ACCEPTED: Pulice	Signature: _____ Date: _____
ACCEPTED: HCRMA	Signature: _____ Pilar Rodriguez, Executive Director Date: _____

Exhibit A

VECP Summary Cover Sheet

Item Number	Description	Sketches	Discipline	Advantages	Challenges	ROM	OWNER Comments	New ROW	NEPA Reval
1	Remove the median reduce EMB and MSE	pict01	ROADWAY	- Reduces the fill	- Entrance and exit ramps in the future	14.5 millions Saving		NO	NO
2	Realignment of 365 Toll at crossing with floodway and SP 115	pict02	ROADWAY	- Reduces the length of the 365 bridge - SP 155 crosses over 365 Toll	- Keep existing access along SP115			YES	YES
3	Alternative Route Between Jackson Rd & E. Thomas Dr	pict16	ROADWAY	- Reduces levee affection				YES	YES
4	Realignment of WB 365 Toll at Dicker Rd	pict03	ROADWAY	- Reduces footprint and embankment	- Reconfigure proposed			NO	NO
5	Project Start Optimization - Keep current FR from STA 666+00 to 686+00.	pict9	ROADWAY	- Pavement and fill reduction	- Current pavement	2.6 million Savings		NO	NO
6	Reduce number of mainlanes from 2 to 1 around FM 494 (Shary Rd)	pict08	ROADWAY	- Reduces the width of two overpasses - Pavement and fill reduction		1.4 Millions for item 6 and 7		NO	NO
7	To remove one line in 365 TOLL EB MAINLANES from 736+00 to 782+00 aprox.	pict33	ROADWAY	- Reduces pavement and embankment		see above item 6		NO	NO
8	Reduce shoulder with from 12' to 4' in the WB Mainlane Typical Section from STA 803+00 TO STA 835+00	pict05	ROADWAY	- Pavement and fill reduction		260 k		NO	NO
9	Revise Ramp Design Between Jackson Rd and Route 281. Eliminate Auxiliary Lane.	pict11	ROADWAY	- Pavement and fill reduction	- Traffic analysis maybe needed	500 K		NO	NO
10	Replace bridges over drainage ditch with MBCs	pict07	ROADWAY	- Removes four overpasses - Lower mainlane PGL				NO	NO
11	SH336 Reverse Stacking	pict15	ROADWAY	- Reduces embankment				NO	MAYBE
12	Revise Vertical Clearance over S. Depot. Rd & Route 115	pict12	ROADWAY	- Bridge and Wall Surface Reduction				NO	NO
13	Reconfigure I Road (Veterans Blvd) to Cross over 365 Toll	pict04	ROADWAY	- Remove steel bridge	- Reconfigure Thomas Drive	6.1 Million		YES	MAYBE
14	Reconfigure I Road (Veterans Blvd) to Cross over 365 Toll	pict30	ROADWAY						
15	I Road Overpass Remove lateral spans	pict25	ROADWAY	- Reduces bridge	- Irrigation structure under			NO	NO
16	Revise U-Turns Design on those Overpasses where it is not expected a future widening.	pict10	ROADWAY	- Reduces Bridge Surface	- Confirm future/ultimate			NO	NO
17	Replace San Juan Canal bridges with precast culverts	pict06	STRUCTURE	- Removes two overpasses - Lower mainlane PGL				NO	NO
18	Reduce pavement thickness using same input parameters and following DOT Pavement Design Manual 21 (TxCRCP-ME)	pict20	PAVEMENT	- Reduce thicness 1"	- Pilar to provide the cross sections and calculations	2.5 million Savings		NO	NO
19	Reduce pavement thickness following DOT Pavement Design Manual 21 and increasing Concrete Modulus of Rupture (720 psi)	pict21	PAVEMENT	- Reduce thicness	- Provide docs to show that value of the concrete modulus of rupture	2.5 million Savings		NO	NO
20	Reduce pavement thickness considering as a design period 30 years	pict22	PAVEMENT	- Reduce thicness	- Possible Maintanance increase	2.5 million Savings		NO	NO
21	Change CTB Type from plant mix to road mix		PAVEMENT	- Reduce cost		3.7 Million			
22	Overpass at FM 494 (Shary Rd) Decrease of number of girders	pict18	STRUCTURE	- Reduces girder elements	- Increasing fci'	68 k		NO	NO
23	Overpass at FM 494 (Shary Rd) Equal spans length	pict24	STRUCTURE			100 k		YES	NO
24	Overpass at FM 494 (Shary Rd) optimize abutment piles	pict27	STRUCTURE			100 k		YES	NO
25	Floodway Bridge at SP 115 Decrease of bridge are (removing spans) by means of box underpass and embankment	pict19	STRUCTURE	- Reduces bridge area				NO	MAYBE

Exhibit A

This form is to be utilized for each VECP concept identified for further processing A's or B's. All VECP Recommendation write-ups are to be attached to the VECP cover spreadsheet list (sample included).

VECP Recommendation No. {Insert concept number}	
Baseline	
<i>(Brief description of original design impacted by this concept)</i>	
Recommendation	
<i>(Brief description of value engineering concept being proposed)</i>	
Advantages	Disadvantages
<ul style="list-style-type: none"><i>{Summary list of advantages of implementing this VE concept}</i>	<ul style="list-style-type: none"><i>{Summary list of disadvantages of implementing this VE concept}</i>

Exhibit A

Results of Analysis Summary
<p>Potential effects on cost</p> <ul style="list-style-type: none">• <i>{List effects of implementing this VE concept</i>••••
<p>Potential effects on schedule</p> <ul style="list-style-type: none">• <i>{List effects of implementing this VE concept</i>••••
<p>Potential effects on traffic & revenue</p> <ul style="list-style-type: none">• <i>{List effects of implementing this VE concept</i>••••
<p>Potential effects on maintenance</p> <ul style="list-style-type: none">• <i>{List effects of implementing this VE concept</i>••••
<p>Potential effects on quality</p> <ul style="list-style-type: none">• <i>{List effects of implementing this VE concept</i>••••
<p>Potential effects on operations</p> <ul style="list-style-type: none">• <i>{List effects of implementing this VE concept</i>••••

Exhibit A

	Cost (M \$)	Const Schedule (Mo)	Design Schedule (Mo)
Baseline	<i>{Construction Cost of original work items impacted}</i>	<i>{only applicable if impact to schedule}</i>	<i>{Design duration}</i>
Recommendation	<i>{Construction Cost of recommended work items}</i>		
GEC Independent estimate of cost & schedule			
Savings (Added)	<i>{Construction Cost savings}</i>		

Exhibit A

Discussion/Sketches/Photos

Baseline Design:

{Detailed description of original design including photos or sketches to allow reader to quickly orient themselves with the context of the engineering to be impacted.}

Recommendation:

{Detailed description of value engineering concept being proposed. Include high level sketches or photos to provide the reader enough information to fully grasp the changes being proposed.}

Exhibit A

Assumptions/Calculations

{Utilize this space for assumptions and minor calculations that are most appropriate to be shown here. More detailed engineering data such as plan sheets, complex calculation workbooks, Geopak data, and electronic files will be submitted under separate cover (i.e. Backup Data) for the HCRMA and GEC to review. It will not be attached to the VECP Summary Document.}

Backup Data shall include a description of the QC process being implemented during this initial phase of VE development. In general, the QC process outlines the review process between the originator and reviewer including the level of detail that will be reviewed. A QC cover sheet with signatures from the reviewer and originator (person responsible for VE concept development) is required for each VE concept.}

{The table below is the detailed breakdown of how the cost savings are realized}

Item Description	Unit	Baseline			Recommendation		
		Qty.	Unit Cost	Total	Qty	Unit Cost	Total
Totals		Baseline			Recommendation		
Cost Savings (Added)							