

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Shanté Akafia, Assistant City Manager

DATE: September 9, 2024

SUBJECT: Approval of the Second Amendment to Interlocal Agreement Among the City of Lewisville, the Town of Flower Mound and the City of Highland Village; and Authorization for the City Manager, or Her Designee, to Execute the Agreement.

BACKGROUND

The Cities of Lewisville, Highland Village and the Town of Flower Mound entered into an Interlocal Agreement (ILA) in October of 2021, to jointly design, construct and share use of a fire training facility on property owned by Lewisville. The not to exceed number for design and construction of the facility as set forth in the ILA was \$4,961,250. The ILA assigned each city's share of the cost and provided guidelines for operation and maintenance of the facility once opened. Each city's share of the cost is based on their number of structural firefighters. The contribution percents and amounts are depicted below:

| City | Contribution Percent | Contribution Amount |
|-------------------------|-----------------------------|----------------------------|
| Lewisville | 51.6 % | \$2,561,165 |
| Flower Mound | 40.6% | \$2,013,494 |
| Highland Village | 7.8% | \$386,591 |

Due to increase in construction cost, the ILA for the fire training facility was amended by Lewisville City Council and the partnering entities in September of 2023. The increased costs associated with the first amendment to the ILA is depicted below:

| City | Contribution Percent | Contribution Amount |
|-------------------------|-----------------------------|----------------------------|
| Lewisville | 51.6 % | \$987,061.56 |
| Flower Mound | 40.6% | \$776,641.46 |
| Highland Village | 7.8% | \$149,206.98 |

All three entities have made full payment of the above funds.

During pre-construction, the Design Builder found manageable sub-surface water levels typical for the region. However, excavation revealed significant groundwater intrusion, flooding the site. A dewatering system with well points was used to control water infiltration. This allowed the

original foundation to be installed but incurred significant additional costs and a five-month delay, necessitating a second amendment to the fire training facility ILA.

ANALYSIS

Certain costs related to mitigating unforeseen water intrusion and the resulting five-month delay are still under negotiation. However, staff and the City’s Project Control Consultant agree these costs will exceed the \$373,380 Owner’s Contingency in the Design Builder’s Contract Sum. The project is still under construction, leaving the City vulnerable to additional risks like adverse weather and supply chain issues, necessitating further increases to the Owner’s Contingency. The estimated cost to address the water intrusion impacts is approximately \$600,000, pending final negotiations. To cover this amount and replenish the Owner’s Contingency to \$174,863 for future risks, an additional \$395,000 is needed within the Design Builder’s Contract Sum.

The cost of Change Order No.2 will be covered by these cities as outlined below.

| City | Contribution Percent | Contribution Amount |
|-------------------------|-----------------------------|----------------------------|
| Lewisville | 51.6 % | \$203,820 |
| Flower Mound | 40.6% | \$160,370 |
| Highland Village | 7.8% | \$30,810 |

The Highland Village City Council and Flower Mound Town Council are anticipated to approve this Second Amendment to the Interlocal Agreement during their respective meetings during the month of September. Payments for each city’s portion shall be remitted to Lewisville by October 14, 2024.

CITY STAFF’S RECOMMENDATION

That the City Council approve the agreement and authorize the City Manager, or her designee, to execute the agreement as set forth in the caption above.