

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Brett Bourgeois, PE, PMP, City Engineer

VIA: Shante Akafia, Assistant City Manager

DATE: April 6, 2026

SUBJECT: **Approval of a Professional Services Agreement with Dunaway Associates, LLC. in the Amount of \$762,323.00 for Design Services for the McKenzie-Hembry Group Neighborhood Street Improvements and Authorization for the City Manager, or Her Designee, to Execute the Agreement.**

BACKGROUND

This Professional Services Agreement authorizes the City to engage Dunaway Associates, LLC to complete the final design of Phase I (currently at 95% design) and to perform the full design of Phase II of the McKenzie-Hembry Project.

The McKenzie-Hembry Project is a comprehensive street, utility, and drainage improvement program for the McKenzie-Hembry neighborhood located west of Old Town. The project has been in development for many years and has undergone multiple redesigns and scope adjustments. Following the most recent bond election, along with County participation, funding was secured to implement a Phase II that restores previously removed improvements and enables full rehabilitation of the neighborhood's infrastructure.

Phase I includes replacement of existing asphalt pavement with concrete pavement, as well as improvements to the sanitary sewer and water systems, and the addition of storm drainage and sidewalks where right-of-way allows. Improvements will occur on:

- McKenzie Street (Mill Street to east of Willow Street)
- Hembry Street (Mesquite Street to Purnell Street)
- Mesquite Street (Mill Street to Hembry Street)

This phase includes approximately 3,750 linear feet of water line replacement, 1,770 linear feet of sanitary sewer replacement, and 3,828 linear feet of pavement improvements. Due to cost escalation, portions of the original Phase I scope were removed. The project is currently at 95% design, and all necessary right-of-way and easements have been acquired. Because the design was completed several years ago, final updates are required prior to construction. These updates are included in the proposed agreement.

Phase II reinstates streets that were removed from Phase I due to funding limitations. Both the City and County included funding for this phase in recent bond elections. Phase II includes pavement replacement and utility improvements on:

- Ash Street (Hembry Street to Sycamore Street)
- Birch Street (Hembry Street to Sycamore Street)
- Sycamore Street (Birch Street to Ash Street)
- Allen Street (Hembry Street to Lone Oak Street)
- Lone Oak Street (McKenzie Street to Purnell Street)
- Hardy Street (McKenzie Street to Purnell Street)
- Willow Street (McKenzie Street to Purnell Street)

This phase includes approximately 4,450 linear feet of water line replacement, 4,145 linear feet of sanitary sewer replacement, and 4,190 linear feet of pavement improvements. All work is expected to occur within existing right-of-way, though minor easements or corner clips may be required. City staff have conducted three public engagement meetings with neighborhood residents on June 21, 2018; June 27, 2024; and October 3, 2024.

Timeframes. Final design for Phase I will begin shortly after contract award and is anticipated to be completed in the first quarter of 2027, with construction substantially complete by summer 2028. Design for Phase II is expected to begin in spring 2027 and be completed by summer 2028, with construction anticipated to conclude in early fall 2029.

ANALYSIS

The engineer's estimated construction costs are \$6.11 million for Phase I and \$6.80 million for Phase II. Because Dunaway Associates, LLC completed the Phase I design to approximately 95%, staff determined they are the most qualified firm to finalize the design and maintain project continuity.

Staff has negotiated a Professional Services Agreement with Dunaway Associates, LLC in the amount of \$726,022. This scope includes finalizing Phase I design plans, limited construction administration services, and Phase II services including preliminary schematics, full design, surveying, subsurface utility engineering (SUE), easement preparation, and limited construction administration.

The total recommended award is \$762,323 for both phases, plus an approximate 5% contingency. The negotiated fee is consistent with industry standards for projects of this size and complexity. Funding for design services is available within the McKenzie-Hembry Capital Improvement Project accounts.

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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.