



REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested: <u>April 27, 2026</u>
Requested By: <u>Jameson Appel</u>
Department: <u>Public Works</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Appropriation	
Source of Funds:	<u>Fund -053</u>
Account Number:	<u>053-7070-530-1100</u>
Amount Budgeted:	<u>\$1,602,421.84</u>
Amount Requested:	<u>\$497,456.89</u>
Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

Exhibits: Construction Masters of Houston proposal request

SUMMARY & RECOMMENDATION

Presentation, discussion, and possible action to approve a change order to incorporate both generators into the first phase of the project, with a cost of \$497,456.89, utilizing the construction contingency.

Package 1 of the Public Works improvements is currently under construction, while Package 2 is in final design and is slated for future construction. Through ongoing coordination between the design team and both CMAR contractors, an opportunity was identified to improve efficiency, reduce risk, and better align project delivery. This action would eliminate the need to procure a generator and the associated tasks in Package 2 of the project, thereby lowering the total cost of the build-out across all phases.

The initial design plan had the generator packages split between construction phases. Revising the construction plan allows the same contractor and electrical team to install both generators, ensuring system compatibility and reducing the risk of conflicts that can occur with multiple contractors. Additionally, installation of large generator systems requires coordination with CenterPoint Gas; completing both installations concurrently minimizes the potential for redesign, rework, and additional costs associated with future utility modifications.

This approach also addresses current market conditions, including extended procurement timelines of 12 to 16 months for generator equipment, and helps mitigate potential cost escalation. From 2023 to 2026 the cost of a 750kw Generac Natural Gas Generator has increased by over 20% (approximately \$95K). Costs are projected to rise an additional 7% by 2027 (approx. \$35K). Purchasing the second generator now will streamline construction sequencing, improve project efficiency, and provide long-term cost savings.

The proposal from Construction Masters includes a 750kw Generac Generator and the necessary upgrades of the gas lines and all required fittings from 3" to 4" for a total cost of \$497,456.89.

Staff has reviewed the proposal and determines it to be a practical and cost-effective solution that supports overall project delivery. Staff recommends the approval of the change order and use of the Package 1 contingency to achieve this goal.

STRATEGIC PLAN KEY FOCUS AREAS AND GUIDING PRINCIPLES

Infrastructure and Utilities: *The City of La Porte will have and maintain a strong infrastructure and up to date facilities to continue to provide superior services for our citizens.*

ACTION REQUIRED BY CITY COUNCIL

Presentation, discussion, and possible action to approve a change order to incorporate both generators into the first phase of the project, with a cost of \$497,456.89, utilizing the construction contingency.

Approved for the City Council meeting agenda

Corby D. Alexander, City Manager

Date