

CITY OF IOWA COLONY
CITY COUNCIL MEMORANDUM

TO	Mayor and City Council, City of Iowa Colony
FROM	City Manager / Engineering Staff
DATE	June 24, 2026
RE	Northwest Regional WWTP – Contract Award & Cost Share Notice (Adico Project No. 24102-01)

1. PURPOSE

This memorandum informs the Mayor and City Council that the City of Iowa Colony has **awarded the construction contract** for the **Northwest Regional Wastewater Treatment Plant (WWTP), Phase 1 – 0.75 MGD**, and presents the resulting Pro Rata cost share obligations for each participating party under the Cost Sharing Agreement dated December 9, 2024 (the “Agreement”). No formal Council action is required at this time; this item is presented for information and transparency.

2. BACKGROUND

The City of Iowa Colony, acting as Project Administrator, entered into a Cost Sharing Agreement with three Brazoria County Municipal Utility Districts (MUDs) to jointly fund the design, permitting, and construction of a permanent concrete Northwest Regional WWTP located at 2401 County Road 57. The facility will serve land within the respective boundaries of all four parties at an initial capacity of 0.75 million gallons per day (MGD).

The Project Engineer, ADICO Consulting Engineers, LLC (Adico), publicly advertised the project for competitive bids. Bids were received and opened on May 28, 2026.

Key project milestones:

- Agreement executed: December 9, 2024
- Bids received and opened: May 28, 2026
- Recommended award: Hassell Construction Group, LLC
- Target substantial completion: within 18 months

3. BID RESULTS & CONTRACT AWARD

After evaluation of all bids received, Adico recommends award to the lowest responsive and responsible bidder:

Item	Detail
Recommended Contractor	Hassell Construction Group, LLC
Total Base Bid	\$14,536,788.50
Contingency (5%)	\$726,839.43
Construction Materials Testing – CMT (1%)	\$152,636.28
Total Project Cost (Construction + 5% Contingency + CMT)	\$15,416,264.20
Project Engineer	Adico Consulting Engineers, LLC
Adico Project No.	24102-01

Note: The total base bid of \$14,536,788.50 is within the 115% rebid threshold (Estimated Probable Cost: \$15,862,500 × 115% = \$18,241,875). Award proceeds without rebid per Section 3.03(c) of the Agreement.

4. PRO RATA COST SHARE ALLOCATION

Pursuant to Sections 2.03 and 4.03 of the Agreement, Project Costs are allocated among the Parties based on their respective reserved capacity shares. Each party's share includes the base construction contract price, a **five percent (5%) contingency** applied to the construction contract price, and the Construction Materials Testing (CMT) fee at one percent (1%) of the contingency-inclusive total. Cost share notices have been transmitted to each party's legal counsel; deposits are due within 45 calendar days of notice.

Party	Share %	Construction	Contingency (5%)	CMT (1%)	Total Due
City of Iowa Colony	9.07%	\$1,318,486.72	\$65,924.34	\$13,844.11	\$1,398,255.16
BCMUD No. 87	44.26%	\$6,433,982.59	\$321,699.13	\$67,556.82	\$6,823,238.54
BCMUD Nos. 31 & 32	32.00%	\$4,651,772.32	\$232,588.62	\$48,843.61	\$4,933,204.55
BCMUD No. 38	14.67%	\$2,132,546.87	\$106,627.34	\$22,391.74	\$2,261,565.96
TOTAL	100%	\$14,536,788.50	\$726,839.43	\$152,636.28	\$15,416,264.20

Note: BCMUD 31's share of **\$4,933,204.55** falls within the \$5,000,000 FY2025 contribution cap established under Section 4.03 of the Agreement. No carryover to FY2026 is required.

5. RESERVED CAPACITY

The table below reflects each party's reserved wastewater treatment capacity in the completed facility, consistent with Section 2.03 of the Agreement:

Party	Pro Rata Share	Approx. ESFCs (@ 220 gpd)	Reserved Capacity
BCMUD Nos. 31 & 32	32.00%	1,091	0.24 MGD
BCMUD No. 87	44.26%	1,509	0.33 MGD
BCMUD No. 38	14.67%	500	0.11 MGD
City of Iowa Colony	9.07%	318	0.07 MGD
Total	100%	3,418	0.75 MGD

6. NEXT STEPS & TIMELINE

- Cost share notices **transmitted** to all parties (June 24, 2026).
- **Deposit deadline:** 45 calendar days from notice (~August 8, 2026).
- **Construction contract execution** upon receipt of all deposits into the Project Account.
- **Substantial completion** targeted within 18 months

7. FISCAL IMPACT TO THE CITY

The City of Iowa Colony's total obligation under the awarded contract is **\$1,398,255.16** (9.07% of total Project Costs), inclusive of the 5% contingency and 1% CMT fee. This represents the City's pro rata share as defined in the Agreement and covers the City's reserved capacity of **0.07 MGD** to serve development within its boundaries. Upon project completion, the City will hold sole legal ownership of the facility and bear all operation and maintenance responsibilities per Section 3.05 of the Agreement.

8. ATTACHMENTS

- Cost Sharing Agreement – December 9, 2024
- Adico Letter of Recommendation for Contract Award (Project No. 24102-01)
- Bid Tabulation – May 28, 2026
- Cost Share Notices (transmitted to each party)

Prepared by: Adico Consulting Engineers, LLC | Dinh Ho, P.E. | June 24, 2026