



**Meeting Date:** March 30, 2023      **Agenda Type:** Consent Items for Action

**From:** Adam Willard, P.E.      **Reviewed by:** Michael Short, P.E.  
Chief Engineer of Water      Director of Water Services &  
Systems      Compliance

**Submitted by:** Ryan Kelso      **Approved by:** Ian Taylor  
Chief Operations Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Authorize CEO or His Designee to Approve Additional Construction Contract Contingency with Harper Brothers Construction, LLC in the Amount of \$350,000 for the Construction of the FM 306 Pump Station Expansion and Discharge Line Project

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## **BACKGROUND**

On December 9, 2021, the New Braunfels Utilities (“NBU”) Board of Trustees approved a construction contract with Harper Brothers Construction, LLC (“Harper Brothers”) for the construction of the FM 306 Pump Station Expansion and Discharge Line Project, which includes (i) construction of a new outdoor pump station, (ii) demolition/abandonment of the existing pump station and associated piping, valving, and instrumentation (iii) electrical/SCADA/instrumentation for the new pump station, (iv) site work and drainage improvements (v) approximately 9,000 linear feet (“LF”) of 24-inch and 36-inch water line from the FM 306 pump station site to the tie-in at the intersection of Goodwin Lane and Pebble Creek Run (the “Project”).

Anticipating project change orders, the NBU Board approved an initial contingency of \$1,000,000 with the original construction contract. Since its approval, the Project has required that NBU use \$663,785.64 of the initial contingency amount for the addition of pumps, motors, and variable frequency drives to the Harper Brothers construction scope, and the extension of a bore by approximately 22 linear feet to resolve conflict with a gas line.

NBU has since identified the need to include a redesigned railroad bore to meet Union Pacific Railroad direction. NBU staff estimates \$350,000 will cover anticipated costs for this and any remaining unforeseen issues to complete the Project.

In order not to cause delays during construction, NBU staff requests that the Board of Trustees approve the additional \$350,000 in construction contract contingency with Harper Brothers for the Project. NBU staff will use the remaining contingency for unknown change orders that are needed as the Project continues. All contract change orders will be presented to the Board through the monthly change order log.

This item is being presented to the Board because it modifies a previously Board approved contract.

## **FINANCIAL IMPACT**

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The Board originally approved a construction contract including the initial contingency in the amount of \$7,750,794 for the construction of the Project. NBU has since processed 2 change orders in the amount of \$663,785.64. The combined amount of the construction contract and the 2 change orders is \$7,415,579.64.

Adding the additional \$350,000 will bring the total contingency to \$1,350,000 or approximately 20% of the original contract amount. The total contract amount of \$6,750,794, with the original contingency of \$1,000,000, and the additional requested contingency of \$350,000 totals \$8,100,794.

## **LINK TO STRATEGIC PLAN**

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### **Stewardship**

### **Customers and Community**

## **EXHIBITS**

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1. Board Write-up from December 9, 2021