



Meeting Date: June 27, 2024 **Agenda Type:** Consent Items for Action

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

Submitted by: Michael Short, P.E.
Director of Water Services and Compliance **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute a Construction Contract with Spiess Construction Co., Inc. for the Construction of the Infrastructure Replacement Package 1 Project

BACKGROUND

On December 8, 2023, New Braunfels Utilities (“NBU”) issued a request for bids for the Infrastructure Replacement Package 1 Project, which includes (i) construction of approximately 2,100 linear feet (LF) of 8-inch wastewater main along Spur Street, South Plum, South Grape, Rosedale Avenue, and adjacent to address 3567 IH 35 North; (ii) removal or abandonment of existing wastewater manholes and mains (iii) stormwater pollution prevention; (iv) removal and reconnection of water services; (v) traffic control; (vi) site restoration and (vii) all other appurtenances necessary to complete the Project (the “Project”). The Project will replace infrastructure that has decayed to a level that it no longer meets service requirements.

On January 25, 2024, NBU received two (2) bids for the Project during the public bidding process. The project team evaluated the bids and recommended the selection of Skyblue Utilities, Inc. (“Skyblue”) for the Project. Skyblue was the lowest responsible bidder and submitted a base bid of \$810,231.45, Additive Alternate Number 1 of \$217,847.49, and Additive Alternate Number 2 of \$207,490.27. However, due to language in the bid bond from Skyblue that could not be resolved, the contract award has been withdrawn, and the second bidder, Spiess Construction Co., Inc. (“Spiess”), has been recommended for award of the contract. Spiess submitted a base bid of \$1,214,670.00, Additive Alternate Number 1 of \$542,070.00, and Additive Alternate Number 2 of \$208,290.00.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with Spiess for the Project.

This item is being presented to the Board because the total amount of the Contract exceeds \$250,000

FINANCIAL IMPACT

The total financial impact of the Contract with Spiess for the Project is \$1,965,030.00. The Project is budgeted within the fiscal year 2024 through fiscal year 2026 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for project change orders, a contract contingency in the amount of \$200,000, which is approximately 10% of the total contract amount, will be added to the project construction budget. The total Contract amount plus contingency is \$2,165,030.00.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. Construction Contract with Spiess Construction Co., Inc.
2. Letter of Recommendation from HMT Engineering and Surveying
3. Bid Tab – (RFB 24-0029P)

| Bid Tab | |
|-------------------------------|--------------------------|
| <i>Bidder</i> | <i>Total Cost</i> |
| Skyblue Utilities, Inc. | \$1,235,569.21 |
| Spiess Construction Co., Inc. | \$1,965,030.00 |