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**Meeting Date:** October 29, 2026      **Agenda Type:** Consent Items for Action

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

**Submitted by:** Mark Steelman      **Approved by:** Ryan Kelso  
Chief Operations Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Guerra Underground, LLC for the Construction of the Rio to Kuehler River Crossing Project in the Amount of \$665,948.19 Plus a \$100,000 Contingency for a Total Amount Not to Exceed \$765,948.19

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## **BACKGROUND**

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On July 2, 2026, New Braunfels Utilities (“NBU”) issued a request for proposals for the Rio to Kuehler River Crossing Project, which includes (i) construction of approximately 150 linear feet (“LF”) of 6-inch and 12-inch water main by open-cut, (ii) construction of approximately 520 LF of 12-inch water main by horizontal directional drilling under the Guadalupe River, (iii) abandonment of the existing water main, (iv) connections to the NBU water system, (v) storm water pollution prevention, (vi) restoration, and all other appurtenances necessary to complete the Project (the “Project”). The Project will bring this water line into better alignment with NBU’s current standards, add reliability and redundancy to the system, and reduce operations and maintenance costs.

On August 6, NBU received two (2) proposals for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of Guerra Underground, LLC (“Guerra”) for the Project. Guerra was selected as the respondent who provides the best value to NBU based on the selection criteria, the weighted value for those criteria, and the ranking evaluation, including their cost of work, proposed schedule, past performance on similar projects, overall qualifications, available resources, corporate history, and references. Guerra’s proposal includes a base bid of \$665,948.19, which was the lowest base bid out of the two (2) respondents.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with [Professional’s Abbreviated Name] for the Project.

This item is being presented to the Board because the total amount of this contract exceeds \$250,000.00.

## FINANCIAL IMPACT

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The total financial impact of the Contract with Guerra for the Project is \$665,948.19. The Project is budgeted within the Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$100,000.00, which is approximately 15% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$765,948.19.

## LINK TO STRATEGIC PLAN

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### Infrastructure and Technology

### Safety and Security

### Stewardship

## EXHIBITS

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1. Construction Contract with Guerra
2. Bid Tabulation – (CSP 26-0070)

| Bid Tabulation (CSP 26-0070) |                         |                |
|------------------------------|-------------------------|----------------|
| 1                            | Guerra Underground, LLC | \$665,948.19   |
| 2                            | Spiess Construction     | \$1,048,652.00 |

3. Bid Evaluation Matrix – Competitive Sealed Proposal (26-0070)

| Bid Evaluation Matrix |                                                                                        |                    |                     |
|-----------------------|----------------------------------------------------------------------------------------|--------------------|---------------------|
| Item                  | Criteria                                                                               | Guerra Underground | Spiess Construction |
| 1.                    | Cost of the Work (50%)                                                                 | 50                 | 31.8                |
| 2.                    | Proposed Schedule / Contract Time (20%)                                                | 12                 | 14                  |
| 3.                    | Past Performance on Similar Projects (10%)                                             | 5                  | 8                   |
| 4.                    | Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners (10%) | 6                  | 8                   |
| 5.                    | Available Resources to Complete the Project (5%)                                       | 2                  | 4                   |
| 6.                    | Corporate History and Stability (5%)                                                   | 2                  | 3                   |
|                       | Total Score                                                                            | 77                 | 68.8                |