



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 North Kuehler Interceptor Segment 3 Phase I Project in the Amount of \$3,992,782.24 Plus a \$400,000 Contingency for a Total Amount Not to Exceed \$4,392,782.24

BACKGROUND

On June 22, 2026, New Braunfels Utilities (“NBU”) issued a request for proposals for the North Kuehler Interceptor Segment 3 Phase 1 Project, which includes (i) construction of 2,030 linear feet (“LF”) of 27-inch gravity sewer main by open cut construction; (ii) construction of 410 LF of 27-inch gravity sewer main with 48-inch steel casing by trenchless methods; (iii) construction of 571 LF of 15-inch gravity sewer main by open cut construction; (iv) construction of 180 LF of 15-inch gravity sewer main with 36-inch steel casing by trenchless methods across Union Pacific Railroad right-of-way; (v) construction of new manholes; (vi) abandonment and grout filling of existing sanitary sewer mains and associated manholes; (vii) connections to the NBU sanitary sewer system; (viii) sewer bypass pumping for construction; (ix) traffic control; (x) storm water pollution prevention; (xi) restoration; and (xii) all other appurtenances necessary to complete the Project (the “Project”). The Project will help improve system reliability by replacing aging infrastructure which has reached the end of its service life and increasing capacity for future growth.

On July 30, 2026, NBU received eight (8) proposals for the Project during the public bidding process. The Project team evaluated the proposals and recommended the selection of Guerra Underground, LLC. (“Guerra Underground”) for the Project. Guerra Underground 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 Underground’s proposal includes a base bid of \$3,992,782.24, which was the lowest base bid out of the eight (8) respondents.

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

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

FINANCIAL IMPACT

The total financial impact of the Contract with Guerra Underground for the Project is \$3,992,782.24. The Project is budgeted within the Fiscal Year 2027 through Fiscal Year 2029 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$400,000.00, which is approximately 10% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$4,392,782.24.

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

Stewardship

EXHIBITS

1. Construction Contract with Guerra Underground
2. Bid Tabulation – (CSP 27-0026)

Bid Tabulation (CSP 27-0026)		
Item	Bidder	Cost
1.	Guerra Underground, LLC.	\$3,992,782.24
2.	Spiess Construction Company, Inc.	\$4,544,153.00
3.	Ella Contracting	\$4,931,728.90
4.	Blackrock Construction	\$4,065,609.00
5.	Pesado Construction Company, Inc.	\$5,461,108.00
6.	Skyblue Utilities, Inc.	\$4,558,778.58
7.	Santa Clara Construction, Ltd.	\$5,467,734.00
8.	M5 Utilities, LLC.	\$6,897,704.26

3. Bid Evaluation Matrix – Competitive Sealed Proposal (27-0026)

Bid Evaluation Matrix								
Criteria	Guerra Underground, LLC.	Spiess Construction Company, Inc.	Ella Contracting	Blackrock Construction	Pesado Construction Company, Inc.	Skyblue Utilities, Inc.	Santa Clara Construction, Ltd.	M5 Utilities, LLC.
Cost of work (50%)	50.0	43.9	41.8	49.0	36.6	46.4	37.6	28.9
Proposed Schedule/Contract Time (30%)	18.0	18.0	21.0	9.0	21.0	9.0	18.0	18.0
Past Performance on Similar Projects (5%)	2.5	3.0	3.0	3.5	3.0	2.0	1.5	2.5
Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners (10%)	6.0	7.0	6.0	5.0	6.0	6.0	2.0	6.0
Available resources to complete the Project (2.5%)	1.3	1.8	1.5	1.5	1.3	1.5	1.3	1.5
The Contractor's corporate history and stability (2.5%)	1.0	1.5	1.8	1.5	1.5	1.5	0.5	1.5
Total Score (Max Score 100)	78.8	75.1	75.1	69.5	69.4	66.4	60.9	58.4