Meeting Date:	May 26, 2026	**Agenda Type:**	Consent Items for Action
From:	Adam Willard, P.E. Chief Engineer of Water Systems	**Reviewed by:**	Michael Short, P.E. Director of Engineering
Submitted by:	Mark Steelman Chief Operations Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with MGC Contractors, Inc. for the Construction of the North and South Kuehler Wastewater Treatment Plant Rehabilitation Project

BACKGROUND

On October 20, 2025, New Braunfels Utilities ("NBU") issued a request for bids for the North Kuehler ("North Kuehler WWTP") and South Kuehler ("South Kuehler WWTP") Wastewater Treatment Plant Rehabilitation Project, which includes:

(i) construction of an expansion of the existing North Kuehler WWTP headworks including new screening channels and mechanical screens;
(ii) construction of an expansion of the existing South Kuehler WWTP headworks including new screening channels and mechanical screens;
(iii) construction of new chemical disinfection equipment and rehabilitation of the existing chemical building at North Kuehler WWTP;
(iv) construction of new chemical disinfection equipment and rehabilitation of the existing chemical building at South Kuehler WWTP;
(v) rehabilitation of the existing North Kuehler WWTP chlorine contact basin including replacement of all gates;
(vi) rehabilitation of the existing South Kuehler WWTP chlorine contact basin including replacement of all gates;
(vii) replacement of the North Kuehler WWTP membrane screen systems;
(viii) replacement of the South Kuehler WWTP membrane screen systems;
(ix) replacement of the gravity thickener mechanism at South Kuehler WWTP;
(x) construction of a new catwalk in the South Kuehler WWTP belt press truck staging area;
(xi) rehabilitation of South Kuehler WWTP aeration system;
(xii) replacement of the existing process blowers, canopy, and electrical building at South Kuehler WWTP;
(xiii) construction of one new vehicular access bridge across the tributary between North and South Kuehler WWTP;

(xiv) offsite sanitary sewer and trunk line replacement;
(xv) electrical work for all power, instrumentation, controls, communication, access, and security of all North and South WWTP facilities;
(xvi) replacement of all process, membrane, and digester blowers at North Kuehler WWTP as a bid add/alternate;
(xvii) replacement of all membrane and digester blowers at South Kuehler WWTP as a bid alternate
(xviii) conversion of North Kuehler WWTP aeration to fine bubble aeration as a bid add/alternate;
(xix) replacement of the existing non-potable water ("NPW") system at North Kuehler WWTP as a bid add/alternate;
(xx) replacement of the existing NPW system at South Kuehler WWTP as a bid add/alternate;
(xxi) replacement of the existing sludge valves at North Kuehler WWTP as a bid add/alternate;
(xxii) replacement of the existing sludge valves at South Kuehler WWTP as a bid add/alternate;
(xxiii) replacement of the North Kuehler WWTP Membrane Thickener as a bid add/alternate;
(xxiv) replacement of the South Kuehler WWTP Membrane Thickener as a bid add/alternate; and
(xxv) all other appurtenances necessary to complete the Project (the "Project").

The Project will rehabilitate the existing South Kuehler WWTP, which was constructed in phases since the late 1950's, and many of its treatment components are nearing or have reached their service life. The Project will also rehabilitate the existing North Kuehler WWTP, which was constructed in the mid-1980s, and many of its treatment components are nearing or have reached their service life.

On January 15, 2026, NBU received two (2) bids for the Project during the public bidding process. The Project team evaluated the bids and recommended the selection of MGC Contractors, Inc. ("MGC") for the Project. MGC 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. MGC's proposal includes a base bid of $48,110,528 and base bid plus alternate bid of $63,407,528, which was the lowest base bid and bid plus alternate bid out of the two (2) respondents.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the "Contract") with MGC 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 (including add/alternates) of the Contract with MGC for the Project is $63,407,528.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2030 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of $2,000,000, which is approximately 3% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is $65,407,528.00.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Customers and Community

Financial Excellence

Stewardship

EXHIBITS

1. Construction Contract with MGC
2. Bid Tabulation – (CSP 26-0015)

Bid Tabulation (RFB 26-0015)			
		Base Bid	Base Bid + Add/Alternates
1	MGC Contractors	$48,110,528	$63,407,528
2	Reytec Construction Resources Inc.	$52,080,000	$66,050,000

3. Bid Evaluation Matrix – Competitive Sealed Proposal (CSP 26-0015)

Item	Criteria	MGC Contractors	Reytec Construction Resources Inc.
1.	Cost of the Work	50	48
2.	Proposed Schedule / Contract Time	15.2	17.2
3.	Past Performance on Similar Projects	2.25	1.4
4.	Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners	18	13.2
5.	Available resources to complete the Project	1.9	1.75
6.	Contractor's corporate history and stability	1.9	1.75
7.	References	1.9	1.5
	Total Score	91.15	84.8