



Meeting Date: January 29, 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 Pesado Construction Company for the Construction of the Western Downtown to Morningside Pressure Zone Conversion Rusch Lane Pressure Reducing Valve Project, Located at the I-35 Southbound Frontage Road and Rusch Lane Intersection

BACKGROUND

On September 8, 2025, New Braunfels Utilities (“NBU”) issued a request for bids for the Western Downtown to Morningside Pressure Zone (“PZ”) Conversion Rusch Lane Pressure Reducing Valve (“PRV”) Project, which the following items within its scope: (i) installation of a new pressure reducing valve; (ii) approximately 200 linear feet of 8-inch, 12-inch, and 16-inch piping; (iii) traffic control; (iv) storm water pollution prevention; (v) restoration; and (vi) all other appurtenances necessary to complete the Project (the “Project”). The Project will address existing pressure issues along Rusch Lane by converting this area of the system from the Downtown Pressure Zone to the Morningside Pressure Zone.

On October 15, 2025, NBU received four (4) bids for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of Pesado Construction Company (“Pesado”) for the Project. Pesado 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. Pesado’s proposal includes a base bid of \$526,180.10.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with Pesado 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 Pesado for the Project is \$526,180.10. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2028 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 20% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$626,180.10.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Construction Contract with Pesado
2. Bid Tabulation – (RFB 26-0014)

| Bid Tabulation (RFB 26-0014) | | |
|------------------------------|--------------------------------|--------------|
| 1 | Argo Utilities LLC | \$790,958.80 |
| 2 | Atlas Construction Corporation | \$466,475.00 |
| 3 | Pesado Construction Company | \$526,180.10 |
| 4 | Spiess Construction Co, Inc | \$744,975.00 |

3. Bid Evaluation Matrix – Competitive Sealed Proposal (26-0014)

| Bid Evaluation Matrix | | | | | |
|-----------------------|--|----------------|-------------------------|-----------------------------|-------------------------------|
| Item | Criteria | Argo Utilities | Atlas Construction Corp | Pesado Construction Company | Spiess Construction Co., Inc. |
| 1. | Cost of the Work | 32 | 50 | 44 | 31 |
| 2. | Proposed Schedule / Contract Time | 11.2 | 8 | 15.2 | 15.2 |
| 3. | Past Performance on Similar Projects | 6 | 4 | 7.6 | 7.6 |
| 4. | Overall Qualifications, Reputation, Past Reputation with NBU and Public Owners | 1.5 | 2.25 | 7.5 | 6.45 |
| 5. | Available Resources to Complete the Project | 3 | 0 | 7.2 | 6 |
| 6. | Contractor's Corporate History and Stability | 0 | 0 | 2.15 | 1.75 |
| 7. | References | 0 | 1.25 | 2 | 2 |
| | Total Score | 53.7 | 65.5 | 85.65 | 70 |