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**Meeting Date:** August 28, 2025      **Agenda Type:** Consent Items for Action

**From:** Dan Redhead      **Reviewed by:** Darrin Jensen  
Project Manager      Director of Enterprise Project  
Manager Office

**Submitted by:** David Hubbard      **Approved by:** Ryan Kelso  
Chief Administrative Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Freese and Nichols, Inc. for the NBU Headquarters Facility Project, Located on a 76-Acre Tract of Property at the Intersection of Engel Road and IH 35, for Owner’s Representative Services

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## **BACKGROUND**

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On June 24, 2021, New Braunfels Utilities (“NBU”) entered into a Professional Services Agreement (the “Agreement”) with Freese and Nichols, Inc. (“FNI”) for Owner’s Representative Services to include project management, pre-construction phase services, constructive phase services and close and warranty services (“Original Services”) for the NBU Headquarters Project (“NBU HQ”), to be completed by September 30, 2023, (the “Project”).

The Project was delayed briefly to allow for the completion of a staffing study, and upon completion of the study, it was determined that a larger site was required to accommodate the additional staff identified.

Upon completion of the staffing study, NBU and FNI identified a need to (i) add alternate site study services and site due diligence assessment services (“New Services”); and (ii) reduce the number of meetings related to supplemental services, and exclude the requirements for coordination with the Trinity Water Treatment Plant and Wellfield Expansion Project.

On December 14, 2023, the NBU Board approved the First Amendment to the Agreement (the “First Amendment”) to (i) add the New Services, (ii) delete certain services that are no longer needed, (iii) authorize additional compensation for the New Services, and (iv) extend the completion time for the New Services to December 31, 2028; and (v) engage the Supplemental Services, authorize the related compensation, and define a time of completion for the Supplemental Services of December 31, 2027.

Now, NBU and FNI desire to amend the contract again to (the “Second Amendment”), which includes the (i) Additional Services for Site Due Diligence Assessment, (ii) Asbestos Assessment of existing on-site structures, (iii) Construction Material Testing, and (iv) Facilities Commissioning Testing. This item is being presented to the Board because the total amount for the professional services agreement, including this amendment, exceeds \$500,000.

## **FINANCIAL IMPACT**

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The total financial impact of the Second Amendment is \$1,367,356.00. The total contract amount for the Agreement, the First Amendment, and the Second Amendment with FNI for the Project is \$5,906,927.00. The Project is budgeted within the Fiscal Year 2023 through Fiscal Year 2027 NBU Board approved Capital Improvement Projects Budget as NBU Headquarters.

## **LINK TO STRATEGIC PLAN**

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**Infrastructure and Technology**

**Safety and Security**

## **EXHIBITS**

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1. Second Amendment to the Professional Services Agreement with FNI