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**Meeting Date:** May 25, 2021      **Agenda Type:** Consent Items for Action

**From:** Shawn Schorn, P.E.      **Reviewed by:** Michael Short, P.E.  
Chief Engineer of Water      Director of Water Services  
Services

**Submitted by:** Ryan Kelso      **Approved by:** Ian Taylor  
Chief Operations Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Authorize CEO or His Designee to Negotiate and Execute a Construction Contract with JM Pipeline, LLC for the Construction of the Nautilus Tract Offsite Sewer Project

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## **BACKGROUND**

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In an effort to promote job growth in the greater New Braunfels area, the New Braunfels Economic Development Corporation (“NBEDC”) and Continental Automotive Systems (“Continental”) negotiated a contract for Continental to locate a new automotive parts manufacturing facility in New Braunfels (the “NBEDC Contract”). On February 27, 2020, the New Braunfels Utilities (“NBU”) Board of Trustees approved a sewer extension contract with NBEDC in connection with the NBEDC Contract with Continental that requires (i) NBU to construct a sewer line extension and (ii) NBEDC to pay all of the costs associated with the construction of said sewer line extension (the “Sewer Extension Contract”). The work contemplated in the Sewer Extension Contract specifically includes the installation of approximately 4,800 linear feet (“LF”) of new 12” sewer line from Alligator Creek to the proposed Continental site near Kohlenberg Road (the “Nautilus Offsite Sewer Project” or the “Project”).

On March 12, 2021, New Braunfels Utilities (“NBU”) issued a request for bids for the Project. NBU received twelve (12) bids on March 31, 2021, for the Project during the public bidding process. The project team evaluated the bids and recommends the selection of JM Pipeline, LLC (“JM Pipeline”) for the Project. JM Pipeline was the lowest responsible bidder with a base bid of \$882,162.

NBU staff requests that the Board of Trustees approve the construction contract with JM Pipeline for the Project.

This item is being presented to the Board because the total amount of this contract exceeds \$250,000.

## **FINANCIAL IMPACT**

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The total construction contract with JM Pipeline for the Project is \$882,162. The Project is budgeted within the fiscal year 2021 through fiscal year 2022 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for project change orders, a contract contingency in the amount of \$88,216, which is roughly 10% of the contract amount, is being added to the project construction budget. The total contract amount plus contingency equals \$970,378. The NBEDC will reimburse all costs associated with this project to NBU.

## **LINK TO STRATEGIC PLAN**

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**Provide a Safe and Secure Environment**

**Be a Responsible Steward of Natural Resources**

## **EXHIBITS**

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1. Construction Contract with JM Pipeline
2. Letter of Recommendation from Garver LLC