



**Meeting Date:** April 29, 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 D Guerra Construction LLC for the Construction of the Castell Avenue Rehabilitation Project

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## **BACKGROUND**

On February 8, 2021, New Braunfels Utilities (“NBU”) issued a request for bids for the Castell Avenue Rehabilitation Project, which includes the installation of (i) 6,246 linear feet of 8-inch and 12-inch water main, (ii) 4,766 linear feet of 16-inch and 8-inch wastewater main on Castell Avenue between San Antonio Street and Nacogdoches Street, and (iii) 5,169 linear feet of 24-inch transmission main needed to pump water from NBU’s downtown production facilities to the County Line tank and surrounding area (the “Project”).

The Project will allow NBU to replace these pipe segments that have a high incidence of failure and have reached the end of their service life based on age, condition, and material. The Project will also increase reliability, decrease maintenance along the project limits, and also increase transmission capacity to the County Line Tank and Pump Station. The additional transmission capacity will also enable more efficient operation of the County Line Pump Station that feeds the Morningside Pressure Zone.

On March 3, 2021, NBU received eight (8) bids for the Project during the public bidding process. The project team evaluated the bids and recommends the selection of D Guerra Construction LLC (“D Guerra”) for the Project as the lowest responsible bidder with a base bid of \$6,898,802.50.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement with D Guerra 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 D Guerra for the Project is \$6,898,802.50. The Project is budgeted within the fiscal year 2021 through fiscal year 2023 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for project change orders, a contract contingency in the amount of \$350,000, which is roughly 5% of the contract amount, is being added to the project construction budget. The total contract amount plus contingency equals \$7,248,802.50.

## **LINK TO STRATEGIC PLAN**

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## **EXHIBITS**

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1. Construction Contract with D Guerra
2. Letter of Recommendation from Urban Civil