



AGENDA MEMORANDUM

Action Item for the City Council Meeting of July 25, 2023

DATE: July 25, 2023

TO: Peter Zaroni, City Manager

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<p><u>Construction Contract Award</u> Packery Channel Dredging and Beach Nourishment</p>
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CAPTION:

Motion awarding a construction contract to Callan Marine Ltd., of Galveston, Texas for Packery Channel Dredging and Beach Nourishment project, in an amount of \$3,531,549.00, located in Council District 4, with funding available from Tax Increment Reinvestment Zone No. 2.

SUMMARY:

This motion awards a construction contract to Callan Marine Ltd., of Galveston, Texas for hydraulic dredging from Packery Channel and placement of the dredged material as beach nourishment along the Gulf shoreline to the south of Packery Channel. Approximately 270,000 cubic yards of sandy maintenance material will be excavated from the channel to reestablish required depths.

BACKGROUND AND FINDINGS:

The Packery Channel and its adjacent Gulf Beaches are popular recreational destinations for citizens and tourists visiting Corpus Christi. The channel and beaches are regularly monitored to track the degree of channel shoaling and beach erosion.

Shoaling in the Packery Channel required the placement of submerged hazard buoys during 2019. The latest survey indicates areas of shoaling have increased since 2019 and are encroaching on the centerline navigation pathway. The shoal volume in the channel is nearing the volume documented prior to the last maintenance dredge of the Packery Channel in 2012.

For Gulf Beaches near the Packery Channel, a minimum width of 150 feet must be maintained to allow vehicles on the beach (City Ordinance 028494). When the width is at or less than 150 feet, bollards are placed on the beach to prevent vehicles from accessing narrow areas as a safety precaution. Based on the persistence of shoals in the channel and the requirements for beach re-nourishment, this project is urgently needed.

It is worth noting that there is insufficient sand available in the channel to restore the beach to original design footprint. Additional sources of sand will likely be required in the future to restore the beach to the original design width.

On October 26, 2021 Callan Marine was awarded a construction contract for the Packery Channel Restoration project. The project scope consisted of providing repairs to shoreline protection. The work was expected to include demolition and removal of damaged block mat revetment, concrete walkway, and bollard/cable barriers. Additionally, the project was to provide storm drain improvements, new concrete walkways, and handrail replacement.

Through the course of the work, one of Callan Marine’s work barges sunk and was later removed but left some materials underwater. City staff has been working to have the materials removed by Callan Marine, through their insurance provider, but have not yet been met with a full resolution.

City staff has sent a Cure Notice to Callan Marine, providing them with notice of default and requiring a recovery plan to be submitted by July 28, 2023. There is a remaining contract amount that staff is withholding until a resolution has been met.

Staff recommends contract award for the Packery Channel Dredging and Beach Nourishment project.

PROJECT TIMELINE:

2020	2023	2023-2024
January - September	Feb - June	July - February
Design	Bid/Award	Construction

The proposed project schedule reflects a City Council award in June 2023 with an anticipated completion month of February 2023.

COMPETITIVE SOLICITATION PROCESS

On February 20, 2023, the Contracts and Procurement Department issued a Request for Bids with the RFB Number 4640 for Packery Channel Dredging & Beach Nourishment. On March 22, 2023, City of Corpus Christi received bids from two bidders. Staff analyzed the bids in accordance with the contract documents and determined Callan Marine, Ltd. is the lowest responsive, and responsible bidder. As the lowest bid received was within the acceptable range of Engineer’s Opinion of Probable Construction Cost which is \$ 4,185,000.00, the City decided to proceed with the project. A summary of the bids is provided below:

Bid Summary	
Contractor	Base Bid
Callan Marine, Ltd.	\$3,531,549.00
Michels Construction Inc.	\$4,000,000.00
<i>Engineer's Opinion of Probable Construction Cost</i>	<i>\$4,185,000.00</i>

Callan Marine, Ltd. is completing Packery Channel & Sidewalk TDEM Restoration work for the City of Corpus Christi and have completed projects such as: U.S. Army Corps of Engineers Lower Bay Reach, Channel Improvement Project, Corpus Christi; MODA Dock Dredging, Ingleside, TX; Flint Hills Resources Maintenance Dredging, Corpus Christi, TX; Voestalpine Maintenance Dredging, Corpus Christi, TX; and other channel improvements in Texas.

ALTERNATIVES:

City Council could choose not to award the construction contract to Callan Marine, Ltd. This would impair navigation in the Packery Channel and further restrict beach traffic due to erosion.

FISCAL IMPACT:

The fiscal impact in FY2023 is an amount of \$3,531,549.00 with funds available from the Tax Increment Finance District Fund. The approved CIP project page is included in the package.

FUNDING DETAIL:

Fund: PackChProjTIF2 (Fund 3278)
 Department: Infrastructure (17)
 Org: Grants and Capital Projects (89)
 Account: Construction (550910)
 Activity: 20106-A-3278-EXP
Amount \$3,531,549.00

RECOMMENDATION:

Staff recommends awarding a construction to contract to Callan Marine, Ltd., of Galveston, Texas for the Packery Channel Dredging and Beach Nourishment project in the amount of \$3,531,549.00, with construction duration planned for 7 months from issuance of the Notice to Proceed.

LIST OF SUPPORTING DOCUMENTS:

Location and Vicinity Maps
 Bid Tabs
 CIP Page
 PowerPoint Presentation