



# Inner Harbor Water Treatment Campus Contract Amendment No. 5 Agenda Item No. 25-1175

City Council Presentation  
July 29, 2025



# Project Update

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Demonstration Plant Update: Overall Construction is 20% complete  
Discharge water line 90% complete  
Plant site prep is 90% complete

U.S. Department of Housing and Urban Development has issued a letter notifying the City that all complaints on the Inner Harbor Water Treatment Campus (IHWTC) filed under Title VIII, Title VI, and Section 109 in this matter will be administratively closed

Contract Spend Update:    Kiewit spent to date - \$17.7M  
                                     Freese and Nichols spent to date - \$11.8M  
                                     Total spent to date - \$29.5M  
                                     Total encumbered to date - \$47.6M

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# Amendment Summary

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This item considers approval to execute contract amendment No. 5 to the Design-Build Contract with Kiewit Infrastructure South Co. Inc. (Kiewit), for the IHWTC Project, on a cost reimbursable basis for a not to exceed amount of \$50,000,000 for a total contract price up to \$97,635,178

The project is currently at a 10% design development stage. Execution of this amendment allows Kiewit to continue design development to a 60% design and develop a detailed guaranteed maximum price (GMP)



# Amendment Background

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- On December 2, 2024, the City executed an agreement with Kiewit, naming them the Design-Builder for the IHWTC
  - Project scope is broken up into three phases, with Phase 1 including planning, design (0 – 60%), early work packages, and the cost model
  - As part of Phase 1 Kiewit is responsible for submitting design deliverables at set intervals to include: a basis of design report (10% design), 30% design, and a 60% design
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# Amendment Scope

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- Project is currently at 10% design development stage
- Execution of this amendment allows Kiewit to continue design development to a 60% design and develop a detailed GMP

Design deliverables:                      30% Design + Cost Model Update

60% Design + GMP

Value:    \$50,000,000 (Not to Exceed)

Execution Method:                              Cost Reimbursable

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# Design Timeline

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2025				
August	September	October	November	December
30% Design Development	60% Design Development + GMP			Review and Present at City Council



# Alternative No. 1

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In lieu of an amendment authorizing Kiewit to continue design development to a 60% design and development of a detailed GMP, a new amendment authorizing Kiewit to continue design development to a 30% design can be considered by City Council for approval

Design deliverables:                      30% Design + Cost Model Update

Value:    \$20,000,000 - \$25,000,000 (Not to Exceed)

Execution Method:                      Cost Reimbursable

A future amendment to authorize Kiewit to continue design development to a 60% design and develop a detailed GMP would be presented to Council at a future date and is valued between \$25,000,000 and \$30,000,000. Both amendments will not exceed \$50,000,000.

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# Alternative No. 1 Timeline

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2025				
August	September	October	November	December
30% Design Development	Review and Present at City Council	60% Design Development + GMP		Review and Present at City Council





# Alternative No. 2

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City Council could choose not to approve the Amendment No. 5 to Kiewit or Alternative No. 1 and pursue no further design development efforts

## Next Steps:

- Immediate issuance of an intent to terminate to Kiewit and Freese and Nichols
- Determine total financial liabilities (State Water Implementation Fund for Texas (SWIFT) loan interest + principal spent to date)
- Evaluate impact to Voluntary Drought Surcharge Exemption Fee
- Evaluate IRS “spend down” requirements and potential impact to City
- Notify the Texas Water Development Board of our intent to cancel the project and no longer utilize the balance of the approved low interest loans

QUESTIONS?