



## AGENDA MEMORANDUM

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

**DATE:** April 25, 2023

**TO:** Peter Zanoni, City Manager

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<p style="text-align: center;"><b><u>Construction Contract Award</u></b> <b>O.N. Stevens Water Treatment Plant Clearwell No. 3</b></p>
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**CAPTION:**

Motion awarding a construction contract to CSA Construction, Inc., for O.N. Stevens Water Treatment Plant (ONSWTP) Clearwell No. 3 project, in an amount of \$36,454,000.00 for construction of a new 10-Million Gallon Clearwell No. 3, located in Council District 1, with funding available from the Water CIP Fund.

**SUMMARY:**

This motion awards a construction contract to CSA Construction, Inc, of Houston, Texas for the construction of a new 10-Million Gallon Clearwell No. 3. The project scope includes the installation of associated waterline pipe, fittings, & valves (ranging from 12-inch to 72-inch diameter), electrical, instrumentation, SCADA integration, associated pavement repairs, demolition of Clearwell No. 1, demolition of High Service No. 1, a baffling retrofit of Clearwell No.2, chemical injection improvements, and stormwater improvements.

**BACKGROUND AND FINDINGS:**

The O.N. Stevens Water Treatment Plant (ONSWTP) was originally constructed in 1954 and supplies water for municipal and industrial use in a seven-county service area and is the sole potable water treatment plant for the City of Corpus Christi, Texas.

State regulations require surface water treatment facilities to have storage for treated water on site. The storage unit, also called a clearwell, stores treated water before it is pumped to the

distribution system. High Service No. 1 is a structure that sits on top of a portion of Clearwell No. 1 that previously held pumps to the clearwell. It will be demolished along with the clearwell.

The 1954 ONSWTP construction included one 4 MG Clearwell (CW 1), followed by a second 10 MG Clearwell constructed in 1981 (CW 2).

The new 10 MG Clearwell (CW 3) will replace the 69-year-old CW 1.

**PROJECT TIMELINE:**

2019- 2022		2023			2023-2025	
April - August		F	M	A	June - December	
Design		Bid/Award			Construction	

The proposed project schedule reflects a City Council award in April 2023 with an anticipated completion month of December 2025.

**COMPETITIVE SOLICITATION PROCESS**

This project has been advertised twice. The first Request for Bid (RFB 4578 ONSWTP Clearwell No. 3) was issued on September 5, 2022, with one bid received on October 12, 2022, from CSA Construction, Inc., in the amount of \$32,987,000.00. A second RFB was issued on January 30, 2023, with the expectation that multiple bids would be received; however, only one bid was received on March 3, 2023, from CSA Construction, Inc. The original Engineer’s Opinion of Probable Construction Costs (OPCC) was established at \$25,019,905.42, which was substantially less than the single bid price of \$32,987,000. The Engineer of Record (EOR) subsequently addressed several oversights with their original OPPC, and provided a revised OPCC of \$38,407,600.

The City analyzed the bid in accordance with the contract documents and determined CSA Construction, Inc. as a viable responsive and responsible bidder. The bid was also within 5% of the OPCC which is \$38,407,600. A summary of the bids is provided below:

Re-Bid Summary	
Contractor	Base Bid
CSA Construction, Inc.	\$36,454,000.00
<b><i>Engineer’s Opinion of Probable Construction Cost</i></b>	<b><i>\$38,407,600.00</i></b>

CSA Construction, Inc. has significant experience working on water projects for the City including the Nueces River Raw Water Pump Station Improvements, the Oso WWTP Headworks, and the Greenwood WWTP UV System.

**ALTERNATIVES:**

City Council could choose not to award the construction contract to the only bidder, CSA Construction, Inc. This would delay needed improvements to the ONSWTP.

**FISCAL IMPACT:**

The total fiscal impact for this project is an amount of \$36,454,000.00. The adopted FY 2023 CIP shows the project has \$12,500,000.00 available for construction. Additional funding of \$8,000,000.00 will be transferred from project E17047-ONSWTP Raw Water Influent and Chemical Facilities Improvement since the project is currently in design. The remaining amount of \$15,954,000.00 will be budgeted in FY 2024 from the Water CIP Fund. Attached is the updated FY 2023 project CIP Page.

**FUNDING DETAIL:**

Fund: **Water 2023 CIP (Fund 4486)**  
Department: Water (45)  
Organization: Grants & Capital Projects Funds (89)  
Project: O.N. Stevens Water Treatment Plant Clearwell No.3 (Project 18131A)  
Account: Construction (550910)  
Activity: 18131-A-4486-EXP  
Amount: \$36,454,000

Year 1 (FY2023): \$ 20,500,000

Year 2 (FY2024): \$ 15,954,000

**Total: \$ 36,454,000.00**

**RECOMMENDATION:**

Staff recommends awarding a construction contract to CSA Construction, Inc. of Houston, Texas for the ONSWTP Clearwell No. 3 project in the amount of \$36,454,000.00, with construction duration planned for 30 months from issuance of the Notice to Proceed.

**LIST OF SUPPORTING DOCUMENTS:**

Location and Vicinity Maps  
Bid Tabs  
CIP Page  
PowerPoint Presentation