



AGENDA MEMORANDUM

One- Reading Ordinance for the City Council Meeting of July 15, 2025

DATE: July 15, 2025

TO: Peter Zaroni, City Manager

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<p style="text-align: center;"><u>Construction Contract Award</u> Defense Economic Adjustment Assistance Grant - Naval Air Station Corpus Christi Wastewater and Manholes Replacement</p>

CAPTION:

One-Reading ordinance authorizing execution of a construction contract with Southern Trenchless Solutions, LLC of La Feria, Texas, for the Defense Economic Adjustment Assistance Grant–Naval Air Station Corpus Christi Wastewater collection lines and Manholes Replacement Project in an amount up to \$4,562,499.62 for the Total Base Bid Plus Additive Alternate No. 1; appropriating \$2,951,340.62 from the U.S Department of the Navy; and amending the FY 2025 Operating and Capital Budgets, located in Council District 4, by \$1,611,159.00 with FY 2025 funding available from the Community Development Grant Fund.

SUMMARY:

This one-reading ordinance authorizes the acceptance and appropriation of \$2,951,340.62 from the U.S. Department of the Navy for the Federal cost share for reimbursement of expenses and the execution of a construction contract for the Defense Economic Adjustment Assistance Grant (DEAAG) Naval Air Station – Corpus Christi (NASCC) Wastewater and Manholes Replacement project.

The project provides for the replacement of approximately 4,500 linear feet of 12-inch to 24-inch wastewater lines along Ocean Drive, 1st Street, and Avenue D at NASCC.

BACKGROUND AND PURPOSE:

On November 13, 2022, the City of Corpus Christ was awarded a grant from the State of Texas totaling \$1,611,159.00 to replace the failing and deteriorating wastewater system and manholes at NASCC. The Texas Legislature appropriated \$30 million in this biennium to the Texas Military Preparedness Commission (TMPC) DEAAG fund to assist defense communities that a past or future Base Realignment and Closure action has impacted.

NASCC's current wastewater system is almost 80 years old and serves as the backbone of NASCC's domestic waste collection system. Extensive deterioration of the system prevents operating at full design capacity. The current domestic collection system is beyond its typical 50-60-year lift cycle and does not comply with the DoD's current criteria for wastewater collection and treatment. This project will replace approximately 4,500 linear feet of severely deteriorating vitrified clay pipe (VCP) wastewater collection lines and 19 broken and deteriorated wastewater collection manholes and add two additional manholes (total of 21) at NASCC.

The DEAAG funding requires expenditures to be completed by May 9, 2026, and reimbursement requested from the Governor's Office by June 23, 2026.

PROJECT TIMELINE:

2024 - 2025	2025			2025 - 2026
May - March	A	M	J	July - March
Design	Bid/Award			Construction

The Project schedule reflects City Council award in July 2025 with anticipated construction completion in March 2026.

COMPETITIVE SOLICITATION PROCESS:

On April 27, 2025, the Contracts and Procurement Department issued a Request for Bids (RFB #6543) for the DEAAG NASCC Wastewater and Manholes Replacements project. On June 4, 2025, the city received two bids. The city analyzed the bids according to the contract documents and determined that Southern Trenchless Solutions, LLC, was the lowest responsive and responsible bidder.

A summary of the bids is provided below:

BID SUMMARY			
CONTRACTOR	BASE BID	ADD. ALT. NO. 1	BASE BID PLUS ADD. ALT. NO. 1
Southern Trenchless Solutions, LLC La Feria, Texas	\$3,571,238.42	\$991,261.20	\$4,562,499.62
Jhabores Construction Company Corpus Christi, Texas	\$5,734,102.00	\$2,180,531.00	\$7,914,633.00
<i>Engineer's Opinion of Probable Construction Cost</i>	<i>\$2,932,774.05</i>	<i>\$769,701.90</i>	<i>\$3,702,475.95</i>

Southern Trenchless Solutions, LLC, has successfully completed various projects with comparable scopes of work for local municipalities, including:

- North Texas Municipal Water District: construction and rehabilitation of 534 sanitary sewer manholes, point repairs at a cost of \$5.5M.
- City of Tyler: rehabilitation and repair of sanitary sewer main by pipe bursting and open cut at a cost of \$1.5M.
- Military Highway Water Supply Corporation: manhole and lift station rehabilitation at a cost of \$7M.
- City of Corpus Christi – Southern Trenchless Solutions, LLC has successfully completed six contracts as a subcontractor on Pipebursting IDIQ contracts from 2017 – 2019 at a cost of approximately \$4M. Southern Trenchless was also recently awarded a manhole rehabilitation IDIQ contract.

ALTERNATIVES:

City Council could choose not to award the construction contract to the low bidder, Southern Trenchless Solutions, LLC, which would delay improvements to the wastewater system. It would also cause the City to not meet the grant deadline.

FISCAL IMPACT:

The fiscal impact for FY 2025 is \$4,562,499.62, with funding from the U.S. Department of the Navy totaling \$2,951,340.62 and a Community Development Grant Fund of \$1,611,159.00, which will be reimbursed upon project completion. There is no fiscal impact to the general fund.

FUNDING DETAIL:

Fund: 1071 Community Development Grant Fund
Department: 46 Wastewater
Organization/Activity: 89 Grants & CIP/TBD
Account: Construction (550910)
Amount: \$2,951,340.62

Fund: 1071 Community Development Grant Fund
Department: 46 Wastewater
Organization/Activity: 89 Grants & CIP/870110S
Account: Construction (550910)
Amount \$1,611,159.00
Total Amount \$4,562,499.62

RECOMMENDATION:

Staff recommend awarding a construction contract to Southern Trenchless Solutions, LLC, for the DEAAG NASCC Wastewater and Manholes Replacement project in the amount of \$4,562,499.62. The construction duration is planned for 8 months from issuance of Notice to Proceed to begin construction in July 2025 with anticipated completion by March 2026.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Bid Tabs
Location and Vicinity Maps
PowerPoint Presentation
US Dept of Navy Order of Work PR#1401288817, Document# N0021625MD00380