



AGENDA MEMORANDUM

Action Item for the City Council Meeting of July 22, 2025

DATE: July 22th, 2025

TO: Peter Zaroni, City Manager

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<p><u>Construction Contract Award</u> Solid Waste Compost Yard</p>
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CAPTION:

Motion awarding a construction contract to JE Construction Services of Corpus Christi, Texas, for the construction of the Solid Waste Compost Yard, located at Cefe Valenzuela Landfill, outside City Limits, in an amount of \$5,489,118.50 with FY 2025 funding available from the prior City Council approved certificate of obligation.

SUMMARY:

This motion awards a construction contract to JE Construction Services of Corpus Christi, Texas for the construction of the Solid Waste Compost yard at Cefe Valenzuela Landfill.

BACKGROUND AND FINDINGS:

The Corpus Christi community utilizes the landfill and transfer station for waste disposal. Currently, Corpus Christi does not have the capacity to process organic solid waste materials that can be diverted from landfilling through composting. Approximately half of municipal solid waste that is landfilled can potentially be recycled as compost material if appropriately segregated.

Processing select organic waste by manufacturing compost would prolong the life of the City's landfill. A composting program utilizing wastewater sludge, yard waste, food waste, ground brush, and other feedstock could divert an estimated 120,000 tons of mixed organic materials annually.

The project involves constructing a 113-acre composting yard within the 2,274-acre landfill site. Key components include:

- Site preparation (clearing, grading, excavation)
- A lined composting area with geotextile and protective cover
- Concrete mixing/blending and crushing pads
- Areas for finished product and feedstock storage
- Roads, parking, fencing and electrical
- Drainage improvements and a lined stormwater retention pond

Through composting, Solid Waste will annually save \$500,000 in operating costs. This is achieved through avoided landfill operating costs, rebates from TCEQ on state fees and deferred capital expenditures on landfill construction. In addition, the compost yard is expected to generate \$450,000 in annual revenue by FY29.

PROJECT TIMELINE:

2024-2025	2025	2025-2026
February - February	March - July	July - January
Design	Bid/Award	Construction

Project schedule reflects City Council award in July 2025, with anticipated construction completion by January 2026.

COMPETITIVE SOLICITATION PROCESS:

On March 2, 2025, the Contracts and Procurement Department issued a Request for Bids (RFB #6337) for the Solid Waste Compost Yard project.

On April 9, 2025, the city received bids from seven bidders. The city analyzed the bids in accordance with the contract documents and determined JE Construction Services was the lowest responsive and responsible bidder. The Engineer's Opinion of Probable Construction Cost was estimated based on the historic data.

A summary of the bid is provided below:

	Bidder	Base Bid (HMAC)
1	JE Construction Services, LLC	\$5,489,118.50
2	Stout Excavating Group	\$6,480,910.30
3	Gerke Excavating	\$6,674,070.55
4	Kocurek Land Improvement	7,073,363.79
5	FCS Construction, LLC	7,130,310.00

6	Persons Services Corp.	7,321,281.00
7	4X Construction Group	\$7,499,934.64
	<i>Engineer's Opinion of Probable Construction Cost</i>	<i>\$6,997,599.00</i>

JE Construction Services, LLC has extensive experience with large-scale projects comparable to the proposed Compost Operations Center, including:

- **Plains All American Pipeline storage tank facilities (Corpus Christi - \$10.2M; Taft - \$5.9M):** These projects involved significant earthwork, clay-lined containment berms, borrow pit excavation, tank pads, drainage, and roads, similar to the proposed project scope.
- **Port of Corpus Christi projects (Rincon Laydown Yard Expansion - \$9.6M; Bulk Dock Rail Expansion - \$14.0M):** These included massive earthwork, flex base installation, retention pond construction, and railroad construction.
- **US Ecology Landfill in Robstown (totaling ~\$1.0M):** Various projects involved raising cell berms, scale house foundations, dike construction, drainage, and roadwork, sharing similar scopes with the Compost Operations Center.
- **City Project 21034 (Cefe F. Valenzuela Landfill Road Improvements - 2023):** This project included concrete paving and drainage improvements at the same landfill site.

ALTERNATIVES:

City Council could choose not to award the contract to JE Construction Services. This would delay the project and conflict with City Council's goal to expedite the construction of the Solid Waste Compost Operations Center.

FISCAL IMPACT:

The fiscal impact for FY 2025 is an amount of \$5,489,118.50 for the Solid Waste Compost Yard construction project. The construction funds are available from the prior certificate of obligation. Surplus funds from completed CIP project 21035 "Cefe Valenzuela Landfill Cell 2A" will be used to balance the projected funding for this project.

FUNDING DETAIL:

The Capital Improvement Program (CIP) shows the project is currently scheduled to begin construction in May 2024. The project is ready to be implemented.

Fund: Solid Waste 2022 TCO (Fund 3374)
Department: Solid Waste Dept. (31)
Org: Grants and Capital Projects (89)
Account: Construction (550910)
Activity: 20288
Amount \$4,109,390.78

Fund: Solid Waste 2024 CO (Fund 3375)
Department: Solid Waste Dept. (31)
Org: Grants and Capital Projects (89)
Account: Construction (550910)
Activity: 20288
Amount \$222,500.00

Fund: Solid Waste 2024 CO (Fund 3376)
Department: Solid Waste Dept. (31)
Org: Grants and Capital Projects (89)
Account: Construction (550910)
Activity: 20288
Amount \$1,157,227.72

Overall Contract Total \$5,489,118.50

RECOMMENDATION:

Staff recommend awarding JE Construction Services, LLC the construction contract to for the construction of the City's Solid Waste Compost Yard in an amount of \$5,489,118.50. The construction duration is planned for six (6) months from issuance of the Notice to Proceed, with construction starting in July 2025 and completion by January 2026.

LIST OF SUPPORTING DOCUMENTS:

Location Map
Bid Tabs
CIP Page
Power Point Presentation