



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for the City Council Meeting May 12, 2026

DATE: May 12, 2026

TO: Peter Zaroni, City Manager

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**Construction Manager-At-Risk contract with Reytec Construction Resources, Inc.
for the Reclaimed Water for Industrial Use Project**

CAPTION:

One-Reading ordinance awarding a Construction Manager-At-Risk (CMAR) contract to Reytec Construction Resources, Inc. of Houston, Texas for pre-construction services, purchase of long-lead items and initiation of construction for the force main installation for the Reclaimed Water for Industrial Use Project in an amount up to \$16,194,400.00; and amending the FY 2026 Capital Budget, with FY 2026 funding available from Water Capital Fund.

SUMMARY:

This ordinance authorizes execution of a Construction Manager-At-Risk (CMAR) contract with Reytec Construction Resources, Inc. to provide pre-construction services in an amount not to exceed \$194,400.00 for the Reclaimed Water for Industrial Use Project. The project consists of an effluent reuse delivery system from the Oso Water Reclamation Plant (WRP) to the Greenwood WRP system and is intended to improve the reliability, capacity, and operational efficiency of the City's non-potable reclaimed water system, while reducing reliance on the potable water system for industrial uses.

In addition, this ordinance authorizes early procurement and limited early construction activities totaling \$16,000,000.00, including:

- Early procurement totaling \$10,000,000.00 for the acquisition and installation of 36-inch-diameter reclaimed water force main pipe and associated appurtenances, as identified in Attachment F
- Early procurement totaling \$6,000,000.00 for electrical equipment, vertical turbine pumps, and early construction of pump station foundation and caissons at the Oso Water Reclamation Plant

These early actions are necessary to secure long-lead equipment, mitigate supply-chain risk, and allow construction activities to begin as soon as practicable to accelerate delivery of critical drought-response infrastructure.

BACKGROUND AND FINDINGS:

The City of Corpus Christi has utilized treated wastewater effluent for non-potable reuse since the 1960s. Currently, only approximately 4.6% of the total effluent produced at the Greenwood, Oso, and Laguna Madre WRPs is beneficially reused, with the remaining volume discharged to receiving waters.

On November 18, 2025, City Council authorized execution of a Master Service Agreement (MSA) with Ardurra Group, Inc. to provide design services for the Reclaimed Water for Industrial Use Project. This project expands delivery of treated effluent from the Oso WRP to the Greenwood WRP, including connection to the 10-million-gallon storage tank (by others), to support increased industrial reuse. Final design completion is anticipated in July 2026.

The project scope includes the design and construction of:

- An Oso WRP reclaimed water pump station and wet well
- Approximately 53,920 linear feet (10.5 miles) of 36-inch-diameter reclaimed water force main

Given the project's drought-driven urgency, extended equipment lead times, and complex construction environment, early contractor involvement is critical. The City is proposing to utilize the CMAR delivery method, allowing Reytec to assist with constructability, schedule development, cost estimating, early material procurement, and phased construction activities while final design is completed.

COMPETITIVE SOLICITATION PROCESS:

Reytec Construction Resources, Inc. was recommended on May 01, 2026 through a competitive solicitation (RFP 7169) for the Reclaimed Water for Industrial Use Project, conducted in accordance with applicable Texas procurement requirements. A total of forty-six (46) general contractors downloaded the solicitation documents, and three (3) firms submitted proposals. Proposals were evaluated and ranked based on the following criteria:

1. Firm qualifications and relevant experience
2. Project approach and understanding of the work
3. Preconstruction services fee and construction phase services fee percentage

The evaluation was conducted by a multidisciplinary selection panel comprised of representatives from Corpus Christi Water, the Engineering Services Department, and Ardurra Group, Inc. Based on the combined evaluation scores, Reytec Construction Resources, Inc., ranked highest overall and was determined to provide the best overall value to the City.

Reytec has successfully delivered numerous City infrastructure projects, including multiple improvements at the O.N. Stevens Water Treatment Plant, such as the Raw Water Influent and Chemical Feed Facility Improvements, Chemical Storage and Handling Facility Improvements, and Filtration System Hydraulic Improvements. Additional City projects include the Nueces River Pump Station Transmission Main Phase 1 and the Park Road 22 South Access Road project.

As part of its proposal, Reytec submitted a material procurement plan (Attachment F) identifying opportunities for early acquisition of long-lead reclaimed water force main materials necessary to maintain the project schedule. Attachment F is limited to reclaimed water force main materials only and includes early procurement of 36-inch-diameter pipe and associated fittings, valves, and appurtenances required for force main installation.

In addition to the early pipe procurement identified in Attachment F, the project schedule also necessitates early procurement and limited early construction activities associated with the Oso Water Reclamation Plant pump station. These pump station early-work activities include:

- Early procurement of vertical turbine pumps with extended manufacturing lead times
- Early procurement of electrical equipment, including switchgear, transformers, and soft starters
- Early construction of pump station foundation and caissons to prepare the site for timely equipment installation

Authorization of both the reclaimed water force main material procurement (Attachment F) and the pump station early-work activities allow the city to:

- Secure critical materials and equipment with long manufacturing lead times
- Mitigate supply-chain and cost escalation risks
- Begin construction activities at the earliest practicable time, including early installation of portions of the reclaimed water force main and pump station infrastructure, consistent with the City's drought-response and water supply reliability objectives

EMERGENCY DECLARATION

This ordinance is presented as an emergency measure. Section 17 of the ordinance constitutes a written request by the Mayor or a majority of the City Council members for the ordinance to be passed finally on the date of introduction due to emergency. The City Council finds and declares an emergency due to the need for immediate action necessary for the efficient and effective administration of City affairs and suspends the City Charter rule requiring consideration and voting at two regular meetings, so the ordinance takes effect upon first reading.

PROJECT TIMELINE:

Pre-construction services are anticipated to occur from May 2026 through September 2026, with final design completion targeted for July 2026.

Early procurement and initial construction activities, including installation of the reclaimed water force main, are targeted to begin as early as late May 2026, subject to required approvals, permitting, and material availability.

The Guaranteed Maximum Price (GMP) for construction of the reclaimed water force main phase of the project is anticipated to be presented to City Council on June 09, 2026, for consideration and approval prior to execution of the construction contract. The GMP for the pump station and wet well phase of the project is anticipated to be presented to City Council on June 30, 2026, for consideration and approval.

ALTERNATIVES:

As an alternative to approving the Construction Manager-At-Risk (CMAR) contract for pre-construction services, City Council could direct staff to proceed using a traditional design-bid-build (DBB) procurement method. This alternative would delay contractor involvement, limit opportunities for early procurement of long-lead materials, extend the overall project schedule, increase exposure to market and supply-chain risks, and prolong reliance on potable water supplies for industrial use during ongoing drought conditions.

FISCAL IMPACT:

The FY 2026 Adopted Capital Budget did not originally allocate funding for Construction Manager-At-Risk (CMAR) pre-construction services or associated early procurement and early work activities for this project; therefore, a budget amendment is required.

The fiscal impact to Corpus Christi Water in FY 2026 includes:

- Pre-construction services for the Reclaimed Water for Industrial Use Project in an amount not to exceed \$194,400.00
- Early procurement and early work activities totaling approximately \$16,000,000.00, including:
 - Early procurement totaling \$10,000,000.00 for the acquisition and installation of 36-inch-diameter reclaimed water force main pipe and associated appurtenances, as identified in Attachment F
 - Early procurement totaling \$6,000,000.00 for electrical equipment, vertical turbine pumps, and early construction of pump station foundation and caissons at the Oso Water Reclamation Plant

Funding for these costs is available from the Water Capital Fund due to the delay of the CCW Warehouse project. All early procurement and early work costs will be incorporated into the applicable construction Guaranteed Maximum Prices (GMPs) and returned to City Council for consideration and approval prior to execution of the remaining construction phases. The reclaimed water force main construction phase GMP is anticipated to be presented to City Council on June 09, 2026, and the pump station and wet well construction phase GMP is anticipated to be presented on June 30, 2026.

FUNDING DETAIL:

Fund: 4492 - Water 2025 CIP Rv Bds
Department: 45 - Water
Organization: 89 - Capital & Grants
Project: 25018 - Reclaimed Water for Industrial Use Project
Account: 550910 – Construction Contracted
Activity: 25018
Amount: \$16,194,400.00

RECOMMENDATION:

Staff recommend approval of the ordinance authorizing execution of a CMAR contract with Reytec Construction Resources, Inc. for pre-construction services and approval of early procurement of long-lead materials to support accelerated delivery of the Reclaimed Water for Industrial Use Project.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Evaluation Matrix
Reytec Proposal Attachment F (Material Procurement Proposal Form)
CIP Page
Certification of Funds
Presentation