



AGENDA MEMORANDUM

Action Item for the City Council Meeting of June 24, 2025

DATE: June 24, 2025

TO: Peter Zanoni, City Manager

FROM: Jeff H. Edmonds, P.E., Director of
Engineering Services
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<p style="text-align: center;"><u>Construction Change Order</u> Ship Channel Waterline and Gas Line Crossing Project</p>

CAPTION:

Motion authorizing the approval of Change Order No. 1 with Clark Pipeline Services, LLC., of Corpus Christi, Texas, for the Ship Channel Waterline and Gas Line Crossing Project, in the amount of \$1,288,049.28 with at least 50% of the water line funding from the Port of Corpus Christi for a total amount not to exceed \$13,214,182.72 with FY 2025 funding available from the Water Capital Fund.

SUMMARY:

The scope of the project is to install a new 24-inch waterline and an 8-inch gas line crossing the Ship Channel at Tule Lake. This change order authorizes payment for construction revisions that were required to make alignment revisions due to conflicts with a 30" dredge material pipeline and to accommodate future Port of Corpus Christi (PCCA) dock plans.

BACKGROUND AND FINDINGS:

On December 12, 2023, the City Council awarded a construction contract to Clark Pipeline Services, LLC., of Corpus Christi, Texas, for the Ship Channel Waterline and Gas Line Crossing Project. The purpose of this project was to comply with the United States Army Corps of Engineers (USACE) directive from April 23, 2018, to remove the existing twin 16-inch water mains crossing the ship channel and install a new 24-inch waterline beneath the ship channel at Tule Lake. The scope also included a new 8-inch gas line to be installed beneath the ship channel parallel to the new waterline. The installation would create a looped water main with increased pressure for fire protection and extend the gas service to the area along Joe Fulton.

Port of Corpus Christi entered into an Interlocal Cooperation Agreement (ILA) to reimburse the City 50% of the actual costs of planning, engineering and design, project management, geotechnical, environmental, cultural and engineering studies, surveying, removing the two 16- inch waterlines, and installing the new 24-inch waterline. The ILA was approved on August 29, 2023. Under the ILA, PCCA will reimburse half the cost of the change order (\$644,024.64).

Early in construction, it was discovered that the pipeline alignment conflicted with a planned dock. Deconflicting with the dock required the entry and exit points to be revised, and the line needed to be installed 25 feet deeper to mitigate any possible conflicts with the dock piers and footings. Additionally, the 30" dredge material pipeline was installed after the project was bid. Avoiding the dredge pipeline required temporary bridges, alignment changes and additional timber matting. The changes were identified last year and a field directive was issued to make the necessary changes. The City has been in negotiation over the value of the change order for over a year. Engineering Services' staff reached an agreement in May 2025 with the contractor over the value for the change order.

Clark Pipeline Services, LLC., Inc. work is proceeding per the revised schedule. The project is approaching completion and requires approval of the change order to avoid stopping work before completion.

PROJECT TIMELINE:

Change Order No. 1 adds 90 additional calendar days to the construction contract. The new anticipated substantial completion date of the project is July 2025 with final completion by August 2025.

ALTERNATIVES:

The City Council could choose not to approve Change Order No. 1 with Clark Pipeline Services, LLC., Not approving the change order will require stopping work on the project before completion. This would result in negative impacts to the water distribution network affecting water supply the Joe Fulton Corridor and North Beach. There would also be additional time and expenses to re-bid this work, additional cost for new contractor mobilization, and an increased risk of receiving a higher bid.

FISCAL IMPACT:

The initial fiscal impact for Corpus Christi Water in FY 2025 is \$1,288,049.28, with funding available from the Water Capital Fund. The change order is funded through project savings as identified as part of the annual capital improvement program close-out. The PCCA will reimburse half the cost of the change order (\$644,024.64) as per ILA.

FUNDING DETAIL:

Fund:	Water 2023 CIP (Fund 4486)
Department:	Water (45)
Org:	Grants and Capital Projects
(89) Account:	Construction (550910)
Activity:	18156-A-4486-EXP
Amount	\$1,288,049.28

TOTAL: \$1,288,049.28

RECOMMENDATION:

Staff recommends approval of this Change Order No. 1 in an amount up to \$1,288,049.28 for the Ship Channel Waterline and Gas Line Crossing Rebid Project with Clark Pipeline Services, LLC.

LIST OF SUPPORTING DOCUMENTS:

CIP Page
Location and Vicinity Map
Change Order Change
Order No. 1