



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of October 19, 2021  
Second Reading for the City Council Meeting of October 26, 2021

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**DATE:** October 19, 2021

**TO:** Peter Zaroni, City Manager

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<p style="text-align: center;"><b><u>Construction Contract Award</u></b> Packery Channel Restoration Project</p>
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### **CAPTION:**

Ordinance accepting and appropriating three Federal Emergency Management Agency - Public Assistance reimbursement grants in the amounts of up to \$4,315,109.40 (sidewalk project), \$9,214,870.50 (channel project) and \$49,841.92 (stormwater project) for the Packery Channel Restoration to the Parks and Storm Water CIP Funds; and awarding a construction contract to Callan Marine, Ltd., in an amount of \$12,359,049.30 for the Packery Channel Restoration Project, located in Council District 4, with FY2022 funding available from the Parks, TIF2, and Storm Water CIP Funds.

### **SUMMARY:**

This ordinance accepts and appropriates a Federal Emergency Management Agency (FEMA) - Public Assistance (PA) reimbursement grant in the total amount of up to \$13,579,821.82 to assist with Hurricane Harvey repairs to the Packery Channel as a result of Hurricane Harvey. This item also awards the Packery Channel Restoration construction contract to Callan Marine, Ltd. in the amount of \$12,359,049.30. This project includes repairs to shoreline protection, sidewalks, bollards and other damaged structures at the Packery Channel.

### **BACKGROUND AND PURPOSE:**

Hurricane Harvey made landfall in the vicinity of Rockport, TX as a Category 4 storm on August 25,

2017. As the hurricane approached, the westerly winds caused gulf waters to flow into Corpus Christ Bay through the Port Aransas and Packery Channels. As the eye of the storm passed to the north of Corpus Christi, the winds continued to increase in intensity and reversed to an easterly direction. The wind reversal caused a sudden and intense flow reversal in the Packery Channel. The high velocity flow caused extensive erosion that undermined the channel's articulated block mat revetment system and adjoining walkways. On August 26, 2017, President Trump signed a major disaster declaration for the State of Texas opening the door for FEMA Public Assistance Funds. City staff worked with FEMA officials from the date of the disaster declaration until January 30, 2020 to secure the assistance.

On that date, FEMA announced the determination that the United States Army Corps of Engineers (USACE) had authority to restore the Packery Channel which rendered the project ineligible for FEMA funding due to CFR 44 CFR § 206.226. The regulation states that, "generally, disaster assistance will not be made available under the Stafford Act when another Federal agency has specific authority to restore facilities damaged or destroyed by an event which is declared a major disaster."

In May 2021, the FEMA reversed their earlier position and declared that the Packery Channel repairs were not eligible for USACE assistance. That determination re-opened the door for FEMA Public Assistance. The City was notified on September 14, 2021 that the Packery Channel Restoration project had cleared eligibility, which was then followed by the receipt of an official FEMA PA award letter. The FEMA PA award is intended to fund 90% of the repair cost leaving a 10% local share. The FEMA PA obligated amount is \$13,579,821.82. The City is the subrecipient and the funding flows to the City through the Texas Division of Emergency Management.

The FEMA PA Program funds large projects as reimbursements in arrears. When the applicant submits documentation of eligible costs, FEMA will release funds in the amount of 90% of the eligible cost amount. When combined with the design costs and an allowance for testing and other costs during construction, the total FEMA eligible costs are currently estimated at around \$13 million. That will require a final local match of about \$1.3 million which will come from TIF2 funding.

The Packery Channel Restoration Project consists of repairs to shoreline protection and related appurtenances at Packery Channel. Work includes demolition and removal of damaged articulating block mat revetment, concrete walkway, and bollard/cable barriers; construction of riprap revetment; placement of riprap as toe protection along the landside section of two jetties; re-setting displaced riprap and armorstone blocks along two jetties; construction of new concrete walkways; construction of a drainage swale lined with concrete block mats; improvements to five existing storms drains; construction of five new storm drains; and replacement of a section of aluminum handrail along one walkway.

#### **PROJECT TIMELINE:**

<b>2021 - 2023</b>
<b>October 2021 – March 2023</b>
<b>Construction</b>

Project schedule reflects City Council award in October 2021 with anticipated completion in March 2023.

## **COMPETITIVE SOLICITATION PROCESS**

The Packery Channel Restoration project was originally advertised for construction in October 2019. No bids were received. The Contracts and Procurement Department reissued a Request for Bids in August 2021. On September 15, 2021, the City received bids from three firms. The City analyzed the bids in accordance with the contract documents and determined Callan Marine, Ltd. is the lowest responsive and responsible bidder. A summary of the bids is provided below:

<b>BID SUMMARY</b>	
<b>CONTRACTOR</b>	<b>BASE BID</b>
Callan Marine, Ltd.	\$12,359,049.30
Brizo Construction	\$15,893,797.50
Cayo, LLC	\$18,545,850.00
<b><i>Engineer's Opinion of Probable Construction Cost</i></b>	<b><i>\$15,600,000.00</i></b>

Callan Marine, Ltd. has not previously conducted work for the City of Corpus Christi but has extensive experience with similar types of projects. They have completed projects such as: U.S. Army Corps of Engineers Lower Bay Reach, Channel Improvement Project, Corpus Christi; MODA Dock Dredging, Ingleside, TX; Flint Hills Resources Maintenance Dredging, Corpus Christi, TX; Voestalpine Maintenance Dredging, Corpus Christi, TX; and other channel improvements in Texas.

### **ALTERNATIVES:**

Not awarding the construction contract will delay the Packery Channel Restoration project and risk further damage and erosion.

### **FISCAL IMPACT:**

The fiscal impact in FY2022 is appropriating three grants for an amount up to \$13,529,979.00 to the Parks and Storm Water CIP Funds. The City has a 10% project cost share for a budgeted amount of \$1,503,331.10 available from the TIF2 Fund. The construction contract award is an amount of \$12,359,049.30 with funding available from the Parks, TIF2, and Storm Water CIP Funds.

### **FUNDING DETAIL:**

The Capital Improvement Program (CIP) shows the project is planned for FY2022 and FY2023. The project is ready to be implemented and expenditures are within budget as shown in the CIP for the combined fiscal years. Reference project H17019 in the FY21-22 CIP.

Fund: **Park CIP (Fund 3280)**  
Mission Elem: Mng Parks & Rec Facilities (141)  
Project: Packery Channel TDEM Restoration (Project No. 21200)  
Account: Construction (550910)  
Activity: 21200-3280-EXP  
Amount: \$9,214,870.50

Fund: **PackChProjTIF2 (Fund 3278)**  
Mission Elem: Packery Channel (717)  
Project: Packery Channel TDEM Restoration (Project No. 21200)  
Account: Construction (550910)  
Activity: 21200-3278-EXP  
Amount: \$2,187,316.64

Fund: **Park CIP (Fund 3280)**  
Mission Elem: Mng Parks & Rec Facilities (141)  
Project: Packery Channel TDEM Sidewalk (Project No. 21201)  
Account: Construction (550910)  
Activity: 21201-3280-EXP  
Amount: \$780,548.39

Fund: **PackChProjTIF2 (Fund 3278)**  
Mission Elem: Packery Channel (717)  
Project: Packery Channel TDEM Sidewalk (Project No. 21201)  
Account: Construction (550910)  
Activity: 21201-3278-EXP  
Amount: \$86,728.00

Fund: **Storm Water CIP (Fund 3480)**  
Mission Elem: Drainage Infra – Surface/Pipes (043)  
Project: Packery Channel TDEM Sewer (Project No. 21202)  
Account: Construction (550910)  
Activity: 21202-3480-EXP  
Amount: \$49,841.92

Fund: **Storm Water 2021 CIP (Fund 4533)**  
Mission Elem: Drainage Infra – Surface/Pipes (043)  
Project: Packery Channel TDEM Sewer (Project No. 21202)  
Account: Construction (550910)  
Activity: 21202-4533-EXP  
Amount: \$39,743.85

**RECOMMENDATION:**

Staff recommends awarding a construction contract for Packery Channel Restoration Project (District 4) in the amount not to exceed \$12,359,049.30 to Callen Marine, Ltd.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Location Map  
Bid Tabs  
Award Letters